

السؤال الأول

KK

Weekend

FINANCIAL TIMES

Weekend FT Can 34 armies save Bosnia?



When an airline passenger falls ill ...



Brightening up the beach



SECTION II

World Business Newspaper

WEEKEND JULY 6/JULY 7 1996

Escom is focus of German insider dealing inquiries

Germany's stock exchange watchdog has begun investigating possible insider dealing in shares of Escom, the German computer retailer which sought protection from its creditors this week.

Srebrenica city starts: Finnish investigators under United Nations auspices in Bosnia examined at least nine bodies, believed to be Muslims killed while trying to escape from Srebrenica last year.

Sulawesi health scare hits Jakarta shares: Shares plunged in Indonesia as officials confirmed that President Suharto (left), is flying to Europe tomorrow for medical checks.

Church leader urges revival: Archbishop George Carey, head of the 70m-strong Anglican church, said religion became a hobby in Britain and warned society would perish unless people were taught the difference between right and wrong.

Skyscraper plan for London: Architect Sir Norman Foster has been commissioned to design a 320m office tower for the City of London.

Call for Burma sanctions: Burma's textile trade could be hit if the European Union pursues Danish calls for it to withdraw trade privileges following the unexplained death in prison last month of Copenhagen's consul in Burma.

Taiwan approves deal: Taiwan is to let China-funded Hong Kong Telecom invest in a network venture, forging an indirect link between communist China's main overseas investment arm, Citic, and Nationalist party business interests.

Deutsche Telekom, the German telecoms group poised for partial privatisation, hopes to have its shares trading in New York, Tokyo and Frankfurt by November 18 at the latest.

N Korea hit by sickness: Cholera has infected hundreds of people in North Korea, according to South Korean intelligence reports.

Libya admits magistrate: French investigating judge Jean-Louis Bruguiere has been allowed to visit Libya to pursue his probe into the mid-air bombing of a French airliner over the Sahara desert in 1988.

UK group takes Vietnam stake: Britain's Imperial Chemical Industries is to buy a 70 per cent stake in small Vietnamese paint maker Vina Paint.

Crickets: England were 31 for 0 at the end of the second day in the third and final Test match at Nottingham in reply to India's first innings score of 521.

FT managed funds coverage: The Saturday FT now includes two weekly tables which rank the best-performing UK unit trusts and investment trusts.

Table with 2 columns: Company Name and Share Price/Change. Includes Anglian Water, British Airways, Deutsche Babcock, etc.

For customer service and other general enquiries call: Frankfurt (69) 15685150

Dow tumbles on fears of rate increase

By Michael Prowse in Washington

US share and bond prices plunged yesterday on speculation that the US Federal Reserve will be forced to raise interest rates soon to prevent the economy overheating.

Official figures showing unexpectedly rapid growth in employment and a fall in the jobless rate to its lowest level in six years triggered a wave of selling on Wall Street.

The Dow Jones Industrial Average closed 114.88 points down at 5,888.14 in a holiday-shortened session.

Wall Street's sharp fall hit European bond and stock markets with shares in Madrid, Paris and Stockholm declining by more than 1 per cent.

World stocks Page 20

Lex Page 24

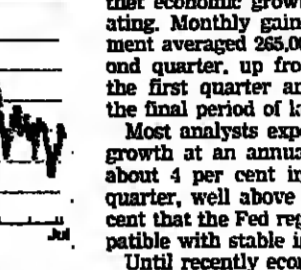
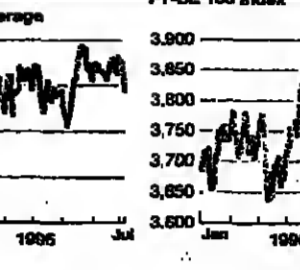
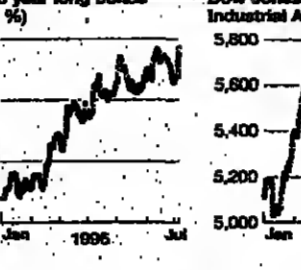
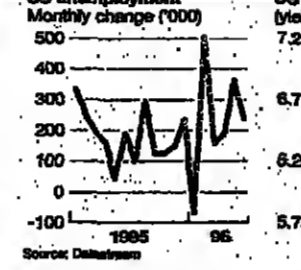
FT-SE 100 index reversed an initial 29 point rally, ending 17.4 points lower at 3,743.2.

The US Labour Department said the unemployment rate fell from 5.8 per cent in May to 5.3 per cent last month.

President Bill Clinton said the figures showed the economy was in the best shape for a generation.

Wall Street economists said the Fed - which declined to raise interest rates earlier this week - was almost certain to tighten monetary policy soon.

Robust economic expansion fuels fear of interest rate rise



Financial markets, however, were distressed by evidence that rapid economic growth is starting to put upward pressure on wage inflation.

They'll definitely tighten now," said Mr David Resler, chief economist at Nomura Securities in New York.

He said the chance of a half-point increase in rates, taking the benchmark federal funds rate to 5.75 per cent, had risen because a quarter point move would only raise the expectation of further increases.

The jobs data left little doubt that economic growth is accelerating. Monthly gains in employment averaged 265,000 in the second quarter, up from 200,000 in the first quarter and 171,000 in the final period of last year.

Former oil group chairman's future in doubt

French rail chief held over inquiry into Elf

By David Owen and Andrew Jack in Paris

Mr Loik La Floch-Prigent, chairman of SNCF, France's state-owned railway company, is being held in prison in connection with an inquiry into investments made by Elf Aquitaine.



Loik La Floch-Prigent who faces an inquiry over investments made when he was Elf Aquitaine's chairman

His detention in the early hours of yesterday morning cast immediate doubt over his future at the loss-making rail company, which is about to embark on a wide-ranging restructuring.

It came after he was placed under formal investigation by Ms Eva Joly, an investigating magistrate, for alleged misuse of corporate assets, abuse of confidence, spreading false information and false accounting.

He is the latest in a line of French business leaders placed under formal investigation since France's anti-corruption crackdown started in 1993.

A spokesman for the SNCF chairman said Mr La Floch-Prigent had no intention of resigning.

Mr La Floch-Prigent's lawyer said he was "extremely shocked" by his client's temporary detention.

Mr La Floch-Prigent, 52, is the fifth person to be placed under investigation over the Elf investments, notably in the Bidermann textile group, which has become known as "l'affaire Elf".

Officially, the French government continued yesterday to support Mr La Floch-Prigent, stressing that to be placed under formal investigation still carried a presumption of innocence.

Elf Aquitaine shares dropped FF7.30 to FF378.10 yesterday, although in percentage terms the fall was not much bigger than the decline in the market.

However, president Jacques Chirac intervened directly to insist on the nomination of Mr La Floch-Prigent, who had in the

Bonn reaches for sky with its euro message

By Peter Norman in Bonn

German holidaymakers can look forward to a special treat on their charter jets this summer.

As they head for Thailand, Tenerife or Turkey, they will find a 71-page illustrated booklet from the Bonn finance ministry telling them why they will soon be giving up their beloved D-Marks for the planned European single currency.

Placing "The Euro: Strong as the Mark" alongside in-flight entertainment and duty-free drinks is part of an ambitious government information offensive to ensure that European economic and monetary union finds a warm welcome in Germany.

Mr Peter Hausmann, head of the government's press and information office and the man charged with bringing the euro to the German people, hopes to get his message across to 2m holidaymakers this summer.

By Theo Waigel, the finance minister, and a strong endorsement from Chancellor Helmut Kohl, is only part of a bigger effort: running through to 1999 which will cost the Bonn government DM15m this year and rather more in 1997.

"It is the biggest theme this office has ever handled," says Mr Hausmann, who shies away from the word campaign when



describing his task. As he hands over 13 different brochures and a copy of the Maastricht treaty, he explains: "It is not like selling washing powder. What we have to give is information."

That information has already started to flow, with newspaper advertisements telling readers that "Europe is the future" and suggesting that the euro will be a guarantor of peace, freedom, economic stability and job security.

Special information bases are currently criss-crossing Germany to bring the euro message to what Hausmann calls "the coming elite" at 45 German universities.

The government is targeting schools and plans to distribute 1.1m euro information packs to teachers and senior pupils. It is preparing 15 two-minute spots about Europe and the euro to offer to public and private television stations. At least 15 radio stations have promised to splice

Continued on Page 24 Lex, Page 24

Table with 4 columns: Stock Market Indices, US Rates, Sterling, Dollar, North Sea Oil, London Money, Gold. Includes FT-SE 100, Dow Jones, etc.

Table with 4 columns: Contents, International News, UK News, World Commodities, Wall Street, Bonds, Weekend FT, Section I. Includes Merit in the News, Gold Markets, etc.

Chopard GENÈVE advertisement featuring several luxury wristwatches and the brand name in a stylized font.

The timeless lines of mechanical perfection - Our tradition since 1860. The classic 'tonneau' form with automatic movement, power reserve indicator, date, small second hand (Style no. 162248).





NEWS: UK

Prime minister hails Lite-On decision as evidence of success for government policy

Taiwan company to invest in Scotland

By David Wighton in Dumfries

Mr John Major, the prime minister, yesterday announced a £40m (£82.4m) Taiwanese investment in Scotland which will create more than 1,000 jobs over the next two years.

which meets in Scotland that the investment was further evidence of the importance of Scotland remaining "firmly entrenched" in the United Kingdom.

Major said the investment by Lite-On was further evidence of the success of the government's policy of creating "one of Europe's most attractive business environments," and warned that Labour's plan for a Scottish parliament could jeopardise the flow of inward investment.

Commenting on his campaign's decision to locate in Scotland, Mr Raymond Soong, chairman of Lite-On, said: "We looked at a number of sites elsewhere in Europe, but a combination of factors such as market potential, availability of a skilled workforce and the overall business infrastructure already established in Scotland, could not be matched anywhere else."

He added that the recent announcement by fellow Taiwanese company Chungghwa Picture Tubes to invest £260m in a plant in Lanarkshire confirmed its "good feelings" about Scotland.

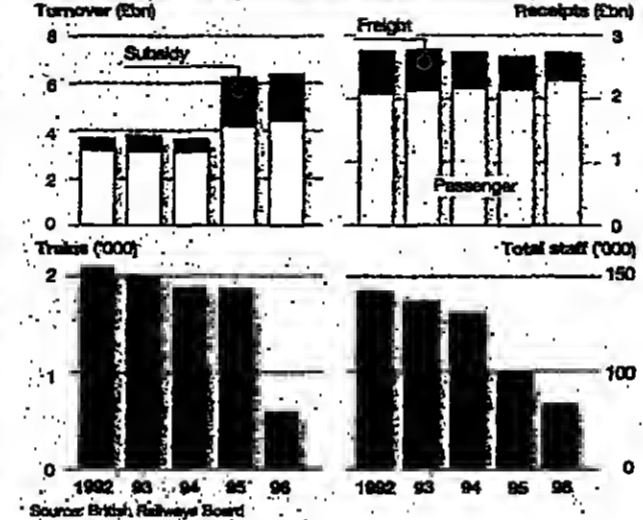
Privatisation signals demise of British Rail

By Charles Batchelor, Transport Correspondent

British Rail, whose battles with snow and autumn leaves and the tendency of its sand-wiches to curl have frustrated travellers and delighted cartoonists, took a step closer to its own demise this week.

will exist only as a repository for potential liabilities built over the years - claims from staff and passengers injured in accidents and for the cost of cleaning up contaminated land.

Mr Welsby, a government economist turned railman, was keen to create a positive image of the railway. Privatisation was not a criticism of BR, he said. "BR's recent record on productivity, service, safety and punctuality is impressive."



were reflected in the Beeching cuts of the 1960s which reduced the rail network by 30 per cent. A further 15 per cent was lopped off in the 1970s and 1980s but in recent years there has been a trickle of line reopenings.

UK NEWS DIGEST

BA pilots to start strike on July 16

British Airways pilots are to go on an indefinite strike over pay and pensions on July 16, threatening widespread disruption to summer holidaymakers.

Union dispute at Harrods

The TGWU transport union said yesterday it planned to ballot for industrial action 275 distribution staff who work for Harrods, the London department store.

Fund management profits down

The UK fund management industry last year suffered its first decline in profitability since 1990, says a survey from accountancy firm Price Waterhouse.

Ostrich crackdown continues

The Department of Trade and Industry, continuing its crackdown on ostrich farming schemes, has moved to wind up a three company public interest group.

Internet site for City

An Internet site devoted to exchanging information between the City of London and the government is likely to be established to help market British financial services firms and exchanges more effectively in other countries.

Shipping broker cleared

A shipping broker was acquitted yesterday of defrauding the Ministry of Defence of almost £2m (£3.1m) when supplying ships to British forces during the Gulf war.

328m skyscraper planned for City

Trafalgar House is planning to build Europe's tallest skyscraper in the City of London, our Property Correspondent writes.

be almost 180m lower than Chicago's Sears Tower, the world's tallest fully operational skyscraper, which will itself soon be topped by the twin Petronas Towers in Kuala Lumpur, Malaysia.

Euro assumptions transformed

By George Graham and Gillian Test

European central bankers are locked in debate over details of a complex payments system that is due to come into existence with the arrival of European monetary union.

It is also generally assumed that the UK, and some countries such as Denmark, will not be part of the first wave of Euro members.

the future European central bank will conduct monetary policy, pushing interest rates up or down by supplying more or less euros to the financial system.

the Bank of England cannot issue overdraft liquidity in euros, then UK-based banks will have to keep much higher cash balances in their accounts, losing out on interest they could have earned.

WEEKEND BUSINESS section containing various advertisements for services like yacht charter, tourist attractions, legal notices, and software.

Private buyers give car market big boost

By Peter March in London

Private car buyers returned to the showrooms in droves in the second quarter of this year, underwriting recent evidence of a "feelgood factor", the Society of Motor Manufacturers and Traders said yesterday.

The main trade body for the UK automotive industry said registrations of new cars by private buyers, as opposed to business and car fleet, rose 9.7 per cent between April and June compared with the equivalent period a year earlier.

"This is an encouraging sign of consumer confidence and a return to the feelgood factor," said Mr Ernie Thompson, the society's chief executive.

In the second quarter of 1996, registrations of new cars by private individuals came to 157,067 compared with 178,068 in the equivalent period last year.

Private purchases, which account for just under half of sales of new cars in the UK, are keenly monitored by statisticians as a good indicator of broad consumer attitudes to buying big-ticket items.

According to Mr Thompson, people's greater keenness in buying new cars was partly linked to lower economic factors such as lower unemployment and growing real disposable incomes.

The Department of Transport said yesterday it hoped to publish a consultation document in the next two months setting out ideas for abandoning the system of changing the registration prefix for new cars every August.

The car industry argues that the system leads to a surge in new car sales every summer, distorts production and planning and makes the sector less competitive with rivals in other countries.

The department said it was ready to listen to all arguments.

A table with multiple columns and rows, likely containing financial data or a list of items.

Vertical text on the right edge of the page, possibly from an adjacent page or a sidebar.

Deutsche Telekom aims for November listings

By Michael Lindemann in Bonn

Deutsche Telekom, which is poised for partial privatisation later this year, hopes to have its shares trading on the stock exchanges in New York, Tokyo and Frankfurt by November 18 at the latest.

However, Mr Kröske said Deutsche Telekom was not in talks about the sale of its cable television network, the world's largest.

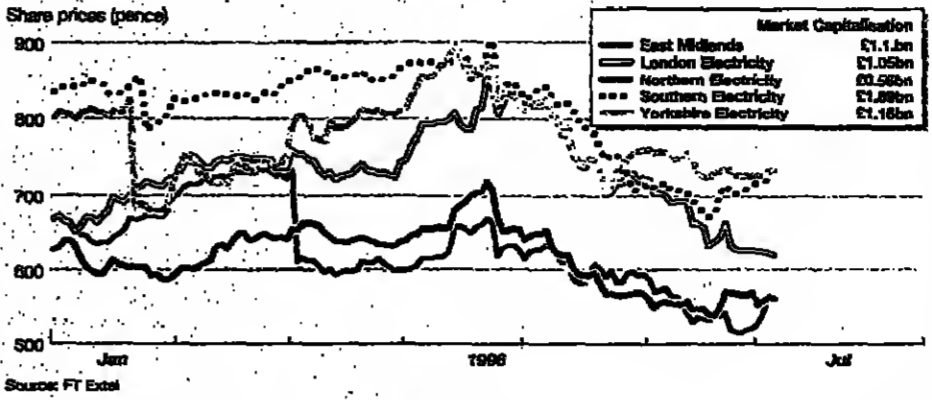
A report earlier this week from the monopolies commission recommended that the network - which is connected to 24m houses and has over 16m users - be sold to foster competition on the German telecom market.

A weather eye for floods or lightning

The utilities sector is being scanned for signs of bid activity, writes Simon Holberton

There was a time not so long ago in the UK utilities sector when the Department of Trade and Industry would approve a bid on a Wednesday and another would pop up the following Monday.

The remaining independent recs



Thames (market capitalisation £2.3bn)? Unlikely, unless it has a very big partner, say analysts. The more likely target for Southern Electric would be Wessex Water - which has a market capitalisation of £780m, but which might cost the rec about £1.3bn to secure in view of Wessex's complicated capital structure.

Going forward, Southern Electric has quite a dilemma in framing a strategy, says one analyst. "The Southern Water acquisition was about geographical fit and cost-cutting."

Yet since Mr Ian Lang, trade secretary, approved the £1.7bn Avon bid for Midlands Electricity on June 5, there has been silence.

A frisson of interest was generated in the sector this week when a rumour spread that the market that East Midlands might be the subject of Houston Industries' attentions. But that soon subsided.

more cash bids. According to this view, institutions want to lighten their exposure to the sector, which is viewed as vulnerable to regulation and a change in government.

This gives P&L a toe-hold in the UK and a window on electricity supply liberalisation which would be useful for it in the evolving US electricity sector.

Scottish Hydro-Electric has had on-and-off discussions with a number of US utilities about making a bid for an English rec. Scottish Hydro would want to acquire an electricity supply business to match its generation in England, while the US partner might take the distribution side of the business.

And then there is this week's talking point: East Midlands. Sir Nigel Rudd, its chairman, has a reputation for extracting full value for shareholders, so it is unlikely to come cheap.

Deutsche Babcock forced to explain share price slide

By Michael Lindemann

Deutsche Babcock, the troubled German engineering conglomerate, was yesterday forced to issue a statement denying it was in "serious trouble", after its share price plummeted 27 per cent this week.

Yesterday fell as low as DM50 before recovering to DM63.50 in after-hours trading.

resubpad, but none of the businesses have so far been sold.

"Stock exchange rumours that the company is in serious trouble are completely without foundation," it said. "Our activities are stable and unchanged as reported in our half-yearly report to shareholders."

The group blamed the slide on a "large sale order". Banks, including Westdeutsche Landesbank, the public sector bank which owns about 10 per cent of the group, are expected to meet Deutsche Babcock's management board on Wednesday to discuss progress on an overhaul announced in February.

Analysts said the June letter to shareholders with the half-year results made "very depressing" reading. Several have suggested that a number of Deutsche Babcock's more successful businesses, such as Schumag, would be badly hurt if their profits were constantly sapped to cover losses elsewhere in the group.

Furnishing deal boosts Liberty

By Sophy Buckley

Liberty, the loss-making retailer, received a fifth yesterday when its shares reached a year high of 408p after it announced a \$900,000 worldwide distribution and licensing deal with Osborne & Little, the furnishings and wallcoverings specialist.

fabrics and wallpaper business in return for the cash consideration and royalty payments. O&L shares rose 38p to 688p.

"It is an instant and ongoing income stream and one we and Osborne & Little are confident of growing over the next few years."

Bardon spends \$32m on double aggregates buy

By Andrew Taylor, Construction Correspondent

Bardon, the quarry group, is expanding its Maryland aggregates business in the US as part of two acquisitions worth \$32m (\$20.5m).

and gravel operation, for \$25m. In the year to May 31 1995 El Gardiner earned net profits of \$3m on sales of \$19m.

Lemon brew refreshes Merrydown

By Sophy Buckley

Two Dogs, the alcoholic lemonade, has helped put the fizz back into Merrydown as the UK's third largest cider maker returned to the black after two years of losses.



Top of the pops: Mr Richard Purdy, Merrydown chairman (left) with Mr Stephen Burke, finance director

Brewers buy stake in pubs group

By David Blackwell

Two regional brewers yesterday agreed to buy for £7.5m two-thirds of Mercury Taverns, an independent pub group with 129 tenancies and 31 managed houses.

Mercury last year made profits of £1.5m on sales of £15.2m. It is highly geared, with debts of more than £16.5m.

Mr Tony Sanders, Mercury's joint managing director, said the debt would be replaced at better interest rates following the deal.

Banks fear for Eurotunnel

By Geoff Dyer and Charles Batchelor

Fears about Eurotunnel's financial future had prompted a burst of activity in the secondary market for its debt, traders said yesterday.

participants in any recent trades that have taken place in Eurotunnel debt.

people using the tunnel so far this year. 184,000 cars, coaches, caravans and motorcycles were carried through the tunnel last month, compared with just over 160,000 in May and 101,000 in June 1995.

Table with columns for Company, Turnover (£m), Pre-tax profit (£m), EPS (p), Dividends (p), Date of payment, Current dividend (p), Total for year, Total for year. Lists companies like Abn-Amro, BNP Paribas, etc.

Advertisement for Resident Abroad magazine. Text: 'Find out why so many expatriates look to RESIDENT ABROAD for help'. Includes a coupon for a special subscription offer with fields for name, address, card number, and signature.

COMPANIES AND FINANCE

Further details emerge of row at Eurotherm

By Tim Burt and William Lewis
Further details emerged yesterday of a boardroom upheaval at Eurotherm, the industrial controls manufacturer...

non-executive directors had "squeezed" him out by suggesting he no longer had a role, following a five-year restructuring at the company...

growth at Eurotherm, but the non-executive directors thought my position was untenable; their lack of consultation did irritate me...

"Claes would then have liked to become non-executive chairman," said one. That scenario, however, was rejected by Mr Jack Leonard...

ny's leading shareholders. "It is a depressing situation. The company appears to have avoided consulting us about Hultman's departure because they know how strongly we feel..."

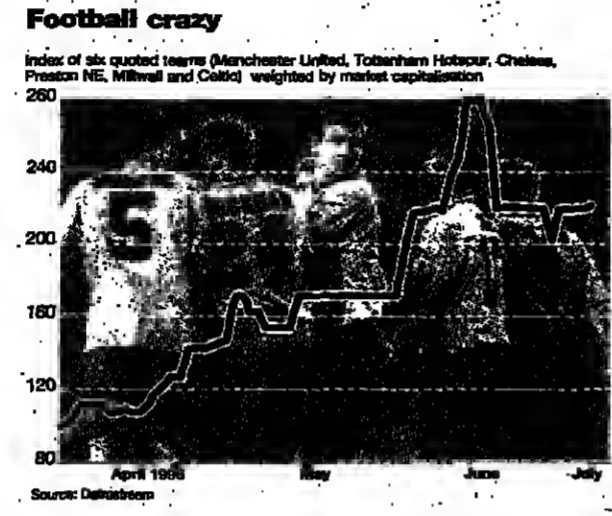
another shareholder. Mr Leonard, however, said it was "none of their affair" and added: "If they don't like it, they can know what they can do. It is up to the directors to run the company..."

Pirc backs non-execs in Emap dispute

By Raymond Snoddy
Dissenting non-executive directors of Emap, the media and exhibitions group, who are opposing proposed changes to the way the company is run...

There's City people on the pitch
Patrick Harverson on why football is moving to the financial pages

Euro 96 might be over, but football keeps grabbing the headlines - even on the City pages. On Tuesday one top club, Leeds United, agreed to be acquired by a publicly quoted media group...



looked at football as an investment opportunity, therefore you have fantastic undervaluation. Also, the owners and managers of football clubs have not looked at them as businesses, so you have even greater undervaluation...

Pearl gets DTI nod on orphan pay-out

Shares in the life insurance sector jumped yesterday after the government approved plans by Pearl Assurance, the UK insurer, to distribute millions of pounds from its long-term life funds to shareholders and policyholders...

Pirelli buys 14% stake in Inter

Pirelli, the Italian tyre and cable manufacturer, has spent £155m (£9.8m) on a 14 per cent stake in FC Internazionale, better-known as Inter Milan, one of the city's top premier league soccer clubs...

Whesoe vapour controls buy

Whesoe, the instrumentation and controls group, is paying up to £2.7m for a Cheshire-based vapour control products company. Mr Chris Fleetwood, chief executive, said the acquisition of AG Marvac...

Feedback deficit widens

Feedback, the USM-traded electronic and computer-based equipment group, suffered continued problems across its activities and saw pre-tax losses widen to £1.9m in the year to March 31...

Prospect Industries reduces loss

Prospect Industries, an engineering contractor specialising in pipes, cut its losses in the half-year to March 31, from £11.7m to £3.5m. Turnover edged up from £30.1m to £30.3m...

Scottish contract win for Care

Care UK announced yesterday that CHS Healthcare, its nursing home offshoot, had, with Grampian Healthcare NHS Trust, been appointed preferred bidder for the £2m Kincardine hospital project...

UDO warning hits shares

UDO Holdings, the reprobographic services group, yesterday warned that falling business volumes and operating margins meant current year's pre-tax profits - excluding fixed asset sales - were expected to be only slightly better than last year...

Euro recovery lifts construction duo's shares

By Andrew Taylor, Construction Correspondent
Reports that declines in demand for German housing construction may be easing lifted shares of Redland and RMC, both have large operations in the country...

Cantors joins up with Harveys

By David Blackwell
Cantors, the furniture and carpet retailer, yesterday agreed a reverse takeover with Harveys Holdings, the privately owned household textiles and furniture group...

Ladbroke in commercial property sale

By Geoff Dyer
Ladbroke Group's withdrawal from the commercial property market took a large step forward yesterday with the £67.3m sale of the leasehold for the former Smith New Court House...

Stentor signs AT&T deal

Stentor, the Aim-traded Irish telecommunications company, said its Stentor Communications subsidiary, had signed an interconnection agreement with AT&T Communications (UK). Under the agreement, AT&T will provide Stentor with access to its international network for delivery of calls to the UK and other international destinations...

In Brief

SUNDERLAND ASSOCIATION Football Club: NWS Bank, the Chester-based subsidiary of the Bank of Scotland, will lend Sunderland AFC £5m to help fund the building of its new stadium. The loan will be repaid over 10 years...

Table with 4 columns: FT-SE 100, FT-SE 250, FT-SE 350, FT-SE 450. Rows include various sectors like General Extraction, Chemicals, Pharmaceuticals, and Utilities.

Stentor signs AT&T deal
Stentor, the Aim-traded Irish telecommunications company, said its Stentor Communications subsidiary, had signed an interconnection agreement with AT&T Communications (UK). Under the agreement, AT&T will provide Stentor with access to its international network for delivery of calls to the UK and other international destinations...

NEWS DIGEST

Newman Tonks' Norwegian sale

Newman Tonks Group, the architectural hardware company, has continued its disposal programme with the £16.5m sale of its Norwegian operations. NT Moller Undall, which supplies hardware and locks, has been bought by ASSA Abloy, the Swedish manufacturer of locks and lock cylinders...

Harry Ramsden's 31% advance

Good results from Harry Ramsden's new restaurants offset a patchy performance from its established outlets and enabled the Yorkshire-based group, which claims the "world's most famous fish 'n' chips", to serve up a 31 per cent rise in interim pre-tax profits. Turnover for the six months to March 31 rose 16 per cent to £1.98m and pre-tax profits climbed to £168,491 (£159,885)...

Whesoe vapour controls buy

Whesoe, the instrumentation and controls group, is paying up to £2.7m for a Cheshire-based vapour control products company. Mr Chris Fleetwood, chief executive, said the acquisition of AG Marvac, which mainly serves the petrochemical industry, would open new sales opportunities: "It's a well established, growing business with a strong brand name... its product range and customer base are highly complementary to our own..."

Feedback deficit widens

Feedback, the USM-traded electronic and computer-based equipment group, suffered continued problems across its activities and saw pre-tax losses widen to £1.9m in the year to March 31. Despite directors' projections of a return to profitable trading in the second half of the current year, the shares dropped 5p to 30p yesterday...

Prospect Industries reduces loss

Prospect Industries, an engineering contractor specialising in pipes, cut its losses in the half-year to March 31, from £11.7m to £3.5m. Turnover edged up from £30.1m to £30.3m. The 1995 figures included exceptional charges of about £7.8m relating mainly to the integration of an acquisition and a goodwill write-off on the disposal of the lossmaking cooling towers business...

Scottish contract win for Care

Care UK announced yesterday that CHS Healthcare, its nursing home offshoot, had, with Grampian Healthcare NHS Trust, been appointed preferred bidder for the £2m Kincardine hospital project. The partnership will provide a new hospital and nursing home in Stonehaven, Grampian, which will be built by Scottish-based Miller Construction with British Linen Bank providing finance...

UDO warning hits shares

UDO Holdings, the reprobographic services group, yesterday warned that falling business volumes and operating margins meant current year's pre-tax profits - excluding fixed asset sales - were expected to be only slightly better than last year, and lower than current market expectations. The shares fell 30p to 21p...

Stentor signs AT&T deal

Stentor, the Aim-traded Irish telecommunications company, said its Stentor Communications subsidiary, had signed an interconnection agreement with AT&T Communications (UK). Under the agreement, AT&T will provide Stentor with access to its international network for delivery of calls to the UK and other international destinations. The interconnect is non-exclusive, but AT&T will be the leading international carrier for Stentor. Stentor's shares rose 8p to 158p...

In Brief

SUNDERLAND ASSOCIATION Football Club: NWS Bank, the Chester-based subsidiary of the Bank of Scotland, will lend Sunderland AFC £5m to help fund the building of its new stadium. The loan will be repaid over 10 years. The ground, which will seat 40,000 and cost £15m, will be the largest purpose-built all-seater stadium built in the UK since the second world war. It is due to be completed by July 1997...

Handwritten signature or stamp at the bottom of the page.

COMMODITIES AND AGRICULTURE

WEEK IN THE MARKETS Copper trading calmer

Calmer conditions prevailed in the London Metal Exchange copper market this week. In contrast to the extreme volatility that gripped it in the immediate aftermath of the Summit crisis...

Table with 2 columns: Commodity, Price. Includes items like Aluminum, Aluminum alloy, Lead, Nickel, Zinc.

was the only one to manage a rise of any substance and its \$37.50 advance to \$36.415 a tonne was attributed technical factors.

At the London Commodity Exchange, robust coffee futures came under selling pressure as concern about the possibility of damaging frosts in Brazilian growing areas faded.

WEEKLY PRICE CHANGES

Table with 4 columns: Commodity, Last week, Change, Year to date. Includes Gold, Silver, Copper, etc.

BASE METALS

Table with 2 columns: Commodity, Price. Includes London Metal Exchange, Aluminum, Lead, Nickel, Zinc.

there would continue for some days at least. "All eyes are trained on [Brazilian] weather forecasts," a London trader told the Reuters news agency on Wednesday.

The exchange's little sugar futures eased back a little yesterday after moving cautiously higher earlier in the week. The rise had been led by pre-holiday book-squaring in New York, traders said, and it quickly lost momentum once that market had begun its long break.

Table with 2 columns: Commodity, Price. Includes Platinum, Silver, Gold, etc.

PRECIOUS METALS

Table with 2 columns: Commodity, Price. Includes Gold, Silver, Platinum, etc.

Precious Metals continued

Table with 2 columns: Commodity, Price. Includes Gold COMEX, Silver COMEX, Platinum NYMEX, etc.

Table with 2 columns: Commodity, Price. Includes Palladium NYMEX, Silver COMEX, etc.

ENERGY

Table with 2 columns: Commodity, Price. Includes Crude Oil NYMEX, Heating Oil NYMEX, etc.

GRAINS AND OIL SEEDS

Table with 2 columns: Commodity, Price. Includes Wheat, Corn, Soybeans, etc.

Table with 2 columns: Commodity, Price. Includes Soybean Meal, Soybean Oil, etc.

SOFTS

Table with 2 columns: Commodity, Price. Includes Cocoa LCE, Coffee LCE, etc.

MEAT AND LIVESTOCK

Table with 2 columns: Commodity, Price. Includes Live Cattle, Live Hogs, etc.

Table with 2 columns: Commodity, Price. Includes Pork Bellies, etc.

LONDON SPOT MARKETS

Table with 2 columns: Commodity, Price. Includes Crude Oil, Gas, etc.

LONDON TRADED OPTIONS

Table with 2 columns: Commodity, Price. Includes Aluminum, Copper, etc.

Table with 2 columns: Commodity, Price. Includes Coffee, etc.

WORLD BOND PRICES

Table with 2 columns: Country, Bond, Price. Includes Australia, Austria, Belgium, etc.

MARKET REPORT

By Lisa Branstetter in New York and Antonia Sharpe in London. Wednesday without raising interest rates - might raise rates before its next meeting on August 20, but most economists thought this unlikely.

Mr Elliott Platt, director of economic research at Donaldson, Lufkin & Jenrette, said chances of such an increase were low because it might suggest panic about the economy by the Fed.

European government bond markets fell by about a half-point in reaction to the slide on Wall Street. "There was a classic reaction in the markets, with the US underperforming Europe," said Ms Phyllis Reed, European bond strategist at BZW.

Table with 2 columns: Country, Bond, Price. Includes France, Germany, etc.

BENCHMARK GOVERNMENT BONDS

Table with 2 columns: Country, Bond, Price. Includes Australia, Austria, Belgium, etc.

US INTEREST RATES

Table with 2 columns: Term, Rate. Includes Treasury Bills, Treasury Notes, etc.

Table with 2 columns: Term, Rate. Includes Bond Futures and Options, etc.

FT-ACTUARIES FIXED INTEREST INDICES

Table with 2 columns: Index, Value. Includes UK Ultra Prime Index, etc.

Table with 2 columns: Index, Value. Includes US Treasury Bond Futures, etc.

UK GILTS PRICES

Table with 2 columns: Term, Price. Includes Gilt Edged, etc.

Other Fixed Interest

Table with 2 columns: Term, Price. Includes Corporate, etc.

MARGINED CURRENCY DEALING

Table with 2 columns: Currency, Price. Includes Australian, Austrian, Belgian, etc.

UK

Table with 2 columns: Term, Price. Includes UK Gilt Futures, etc.

Other Fixed Interest

Table with 2 columns: Term, Price. Includes Corporate, etc.

Other Fixed Interest

Table with 2 columns: Term, Price. Includes Corporate, etc.

Advertisement for MARGINED CURRENCY DEALING with contact information for various banks.

Advertisement for UK GILTS PRICES with contact information for various banks.

Advertisement for Other Fixed Interest with contact information for various banks.

Advertisement for Other Fixed Interest with contact information for various banks.







CURRENCIES AND MONEY

MARKETS REPORT

Dollar firm

By Philip Gawth

The dollar yesterday managed to withstand the impact of plunging asset markets after a stronger than expected payroll report re-awakened fears of a rise in US interest rates.

three of the past four months, a more significant dollar reaction had been evident once bond markets had stabilised.

Some observers fear that failure to tighten timously could jeopardise the dollar's rally.

The concern after the report was that the 1994 scenario might be repeated whereby the perception that the Fed tightened too little too late was instrumental in the subsequent slide of the dollar from DML74 to DML24 a year later.

The dollar finished in London at DML5280 and Y110.856 from DML5235 and Y110.375.

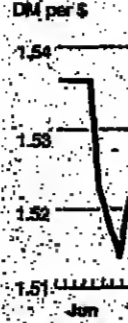
"The danger here is that absent Fed tightening tonight, the talk on Monday will be of a 'Fed behind the curve', with potential negative dollar connotations," said Mr Ray Attrill, analyst at 4CAST.

Sterling had a steady day, finishing at DM2.3761 and \$1.5551 from DM2.3770 and \$1.5503.

In stark contrast to the strong US figures, Canada experienced the biggest rise in unemployment since 1982.

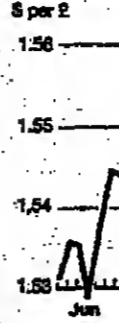
Dollar

DM per \$



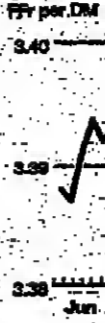
Sterling

£ per \$



D-Mark

DM per \$



unemployment since 1982. Mr Dave Abramson, analyst at the Bank Credit Analyst in Montreal, said the message was clear: "The Canadian economy is turning up from a lower level than in the US and monetary policy will be appropriate to that."

by the currency."

"This alone makes us sufficiently nervous to warrant caution about short term in the coming days/weeks," said Mr Mike Gallagher of IDEA.

cent of respondents believe the pound will rise above DM2.85, with very few believing it will fall, the split is much more even with the dollar.

Two surveys of forex market participants show that the market remains very bullish about sterling, and even more negative about the yen.

The IDRA survey finds sterling optimism intact, with some forecasts on a two month view as high as DM2.50, and a median of DM2.40.

The chief dealer's survey conducted by Foreign Exchange Letter found respondents much more optimistic about the outlook for the pound against the D-Mark, than the dollar. While 51 per

cent of respondents believe the pound will rise above DM2.85, with very few believing it will fall, the split is much more even with the dollar.

The Canadian economy, he said, was operating below full employment, while the US was arguably above full employment. Also, there are no signs of inflationary pressure.

The Bank of Canada is going to do nothing unless they are forced

to do so.

On the dollar/yen rate, expectations that Japanese rates will rise in the next few months have been offset by comments from the finance minister, Mr Wataru Kubo that he does not regard current exchange rate moves as significant. The market took this to indicate that the authorities remain fairly relaxed about current market levels.

POUND SPOT FORWARD AGAINST THE POUND

Table with columns: Country, Currency, Bid, Offer, Spread, etc. for various countries including Austria, Belgium, Denmark, etc.

DOLLAR SPOT FORWARD AGAINST THE DOLLAR

Table with columns: Country, Currency, Bid, Offer, Spread, etc. for various countries including Austria, Belgium, Denmark, etc.

WORLD INTEREST RATES

Table of Money Rates for various countries including Belgium, France, Germany, etc.

EURO CURRENCY INTEREST RATES

Table of Euro Currency Interest Rates for various countries including Belgium, France, Germany, etc.

CROSS RATES AND DERIVATIVES

EXCHANGE CROSS RATES

Table of Exchange Cross Rates for various currencies including DM, £, ¥, etc.

EURO CURRENCY UNIT RATES

Table of Euro Currency Unit Rates for various countries including Spain, Ireland, Netherlands, etc.

THREE MONTH EURO FUTURES (BATE)

Table of Three Month Euro Futures (BATE) for various countries.

THREE MONTH EURO FUTURES (LIFE)

Table of Three Month Euro Futures (LIFE) for various countries.

THREE MONTH EURO FUTURES (LIFE)

Table of Three Month Euro Futures (LIFE) for various countries.

THREE MONTH EURO FUTURES (LIFE)

Table of Three Month Euro Futures (LIFE) for various countries.

THREE MONTH EURO FUTURES (LIFE)

Table of Three Month Euro Futures (LIFE) for various countries.

THREE MONTH EURO FUTURES (LIFE)

Table of Three Month Euro Futures (LIFE) for various countries.

THREE MONTH EURO FUTURES (LIFE)

Table of Three Month Euro Futures (LIFE) for various countries.

UK INTEREST RATES

LONDON MONEY RATES

Table of UK Interest Rates and London Money Rates for various terms.

THREE MONTH STERLING FUTURES (LIFE)

Table of Three Month Sterling Futures (LIFE) for various countries.

THREE MONTH STERLING FUTURES (LIFE)

Table of Three Month Sterling Futures (LIFE) for various countries.

THREE MONTH STERLING FUTURES (LIFE)

Table of Three Month Sterling Futures (LIFE) for various countries.

THREE MONTH STERLING FUTURES (LIFE)

Table of Three Month Sterling Futures (LIFE) for various countries.

PHILADELPHIA 6% B/S OPTIONS

Table of Philadelphia 6% B/S Options for various terms.

NON ERM EURO CURRENCY UNIT RATES

Table of Non ERM Euro Currency Unit Rates for various countries.

BASE LENDING RATES

Table of Base Lending Rates for various banks and currencies.

MURILIA OPTIONS (LIFE)

Table of Murilia Options (LIFE) for various countries.

OTHER CURRENCIES

Table of Other Currencies for various countries.

FT GUIDE TO WORLD CURRENCIES

The FT Guide to World Currencies table can be found on the Marketpage in Monday's edition.

MARGINED FOREIGN EXCHANGE TRADING advertisement.

BERKELEY FUTURES LIMITED advertisement.

MarketEye advertisement.

SECURITIES AND FUTURES LIMITED advertisement.

Margined FOREX advertisement.

KNIGHT-RIDDER'S FUTURES MARKET DATABANK advertisement.

WANT TO KNOW A SECRET? advertisement.

FUTURES - TAX FREE advertisement.

OFFSHORE COMPANIES advertisement.

Petroleum Argus advertisement.

SEND US YOUR OWN PAPERCLIP advertisement for Macmillan.

Pannure Gordon & Co Limited advertisement.

JAVICO LTD



Authorised Unit Trusts

FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (444 171) 872 4378 for more details.

FT MANAGED FUNDS SERVICE

AUTHORISED UNIT TRUSTS

Table listing various unit trusts and managed funds, including names like Bank of Ireland Fund Mgrs Ltd, City Financial Unit Trust Mgrs Ltd, and others, with columns for share prices and performance metrics.

Advertisement for 'Need facts and figures in a hurry?' featuring a large graphic of a hand holding a magnifying glass over a document. Text includes: 'We are used to satisfying difficult requests in a hurry. Why not prepare yourself for such an occasion by requesting full details of our services today? Alternatively, if you think you may need us now, fax over your request for a cost estimate without obligation.' Includes contact information for FT Business Research Centre.

Advertisement for 'Guide to pricing of Authorised Unit Trusts'. Text includes: 'Initial charges: Charges made by a unit trust manager... Historic pricing: The letter L shows that the managers will normally call the price on the next receipt... Buying price: Also called bid price... Selling price: Also called ask price... Treatment of manager's periodic charges: The letter C shows that the trust charges all or part of the manager's periodic charges from capital... Scheme particulars and reports: The most recent report and scheme particulars can be obtained free of charge from fund managers... Other explanatory notes are contained in the full prospectus of the FT Managed Funds Service... FT Association of Unit Trusts and Investment Funds, 65 Abchurch Lane, London EC4N 3DF, Tel 071-551-6666.



Vertical text on the right side of the advertisement, including the letter 'B' and some illegible text.

Handwritten signature 'J. J. J. J.' in a stylized font.

الصحيفة الاقتصادية

# Weekend FT

### Anthony Robinson sees Ifor troops in action and wonders if the Dayton peace accord will keep Bosnia together

The lift stopped on the shell-scarred eighth floor of the Sarajevo Holiday Inn and I stepped out. I was wearing an Ifor soldier's combat gear. He had an automatic rifle slung over his shoulder. US Air Force was blown over the left-hand pocket of his camouflage jacket and there were staff sergeant stripes on his shirt sleeves. He looked tough, but friendly.

The other passengers in the lift were German businessmen, part of a delegation viewing the damage to their investments in Bosnia during nearly four years of war and siege. They had come to assess whether now, with peace apparently restored by last November's Dayton peace agreements, and guaranteed by the presence of 60,000 soldiers of Ifor, the Dayton Implementation Force, it was time to repair the damage and re-invest.



French Ifor troops arriving in Sarajevo

Phil Lown/Hughes

## Armed for peace in Bosnia

political manoeuvring to try to unseat the wily Bosnian Serb leader. But Ifor commanders, especially the Americans, are under strict instructions to minimise casualties in the run-up to the US presidential elections in November. They are determined to avoid the situation which sucked them into a bloody conflict, and a humiliating, televised withdrawal from Mogadishu three years ago.

They are in no mood to pursue Karadzic or other indicted war criminals. They fear that if they do they could find themselves in the middle of a renewed fire-fight across the ethnic dividing line, which they now patrol in peace. Without Ifor's fire-power and mobility to back him, Carl Bildt, the former Swedish prime minister, who is in charge of the international civilian reconstruction effort, is forced to resort to mere

mainly in his mountain "capital" reportedly moving from safe house to safe house to minimise the risk of assassination or arrest, while Ifor troops patrol his frontiers and man checkpoints on the roads leading in and out of Srpska Republika. At the Pale road checkpoint the nervous troops were manning the machine guns on the turrets of the Italian armoured personnel carriers.

As a logistical exercise, as a display of military hardware, and as a way to give the men and equipment of 34 armies the opportunity to manoeuvre and check out their lines of communication and military preparedness in quasi-battle conditions, the Ifor operation is clearly a success. The estimated \$5m (\$3.2m) cost of Ifor is almost as much in one year as the \$5.4m which

the European Union, international financial institutions, foreign governments and non-government organisations plan to spend over three years to repair the ravages of war. Much of Ifor's \$5bn would have been spent anyway on domestic training and exercises. By coming to Bosnia the soldiers have had the satisfaction of putting an end to five years of vicious fighting and ethnic purging which cost an estimated 100,000 lives and turned millions of ordinary people into exiles or refugees.

But bayonets, as Napoleon once famously remarked, are good for everything - except sitting on, and Ifor is now in danger of doing just that. It has separated the warring parties, supervised the removal of heavy weapons and stopped the fighting. What is more, "peace" has been obtained with few Ifor casualties. This is a relief to politicians in foreign capitals, and especially in Washington. The prospect of being able to "bring the boys home", having achieved peace with honour in Bosnia, could be crucial to the re-election of President Bill Clinton.

### CONTENTS

- Fashion: Floral designs to brighten up the beach V
- Travel: Far-flung adventures. A 3-page special on Australia IX-XI
- Perspectives: Air emergency. Is there a doctor on the flight? III
- Sport: The floating masterpieces gather in St Tropez XVI



Books: Magic mix of old and new values in biography XII, XIII

Food: The sweet taste of an English summer VIII

- Arts XIV, XV
- Arts Guide XVI
- Books XVII, XVIII
- Books, Chess, Crossword XIX
- Fashion V
- Food & Drink VIII
- Gardening VI
- How To Spend It VII
- Motoring VI
- Perspectives II, III
- Property VI, VII
- Sport IX
- Travel IX-XI
- Weekend Investor XIX, XX

Continued on Page II



Joe Rogaly

## End of the line for Maff

Where there's a will there's a way to regulate food independently

Britain's Ministry of Agriculture should be culled, chopped into pieces, burned, written out, liquidated - and then replaced by a ministry of food or a regulator or both. Now that would be worth a politician's promise. No taxes would have to be increased. Some public spending might be avoided. This is ideal New Labour territory. It would sit nicely alongside the five selling points made by Tony Blair on Thursday.

What? The Labour leader did not have your full attention? Let me remind you of the terms of the cost-free contract he offers. "Smaller classes. Tougher crime. Shorter waiting lists. More jobs for our young people. An economy run efficiently for the many, not the few." You see? He could easily have added: "New food. Safe food. Food for all." Then, in the small print, we would find a promise to rub out the Min. of Ag.

They put chemicals into our food and sugar on our pills so let us have an FDA

interests first, or spoke of the advisory committees that would ensure proper care. Proper care? Forget it. Maff's motivation was established in a law passed in 1947. It exists to promote the intensification and industrialisation of food production. This it knows how to do. It has worked with the National Farmers' Union and the food manufacturers and retailers to

secretary, whose schools and universities are agency-managed. And if he runs out of breath, he need only give me a call and I'll tell him the rest of the list. If the political will to support an independent food and drugs authority exists, it will act without interference. The British system allows for this. The EBC is independent. So is the judiciary. Both are watched over by responsible ministers. The trick can be managed, given the motivation. The Scandinavians, Germans and Australians have working institutions that protect public health. Labour has mumbled about an independent food authority, although I did not hear Mr Blair shouting about it this week.

A Unique Collecting Opportunity by Special Arrangement with the Royal Geographical Society CHARLES DARWIN'S The ZOOLOGY of the VOYAGE of HMS BEAGLE

A sumptuous commemorative facsimile of this rare work published in a hand-numbered limited edition of 1,000 sets.

Four volumes of beauty and scholarship printed and bound to match Darwin's own personal copy. Complete with wooden slipcase with hinged lid which provides an ideal display lectern.

A prestigious gift or a significant addition to the library of a discriminating collector.

Each volume 12" x 9 1/2", elegantly quarter-bound in leather, gilt-embossed spines and covers; marbled paper boards; matching end-papers.

VOLUME I *Fossil Menageries* 112 pages of text, 32 mono plates.

VOLUME II *Mammalia* 98 pages of text, 35 plates, 32 in colour.

VOLUME III *Birds* 156 pages of text, 50 colour plates, including many by renowned Victorian ornithologist and illustrator, John Gould.

VOLUME IV *Reptiles* 172 pages of text, 29 mono plates, 11. *Reptiles* 52 pages of text, 20 mono plates.

The facsimile displayed on its lectern. The open volume features one of the many illustrations by John Gould.

Here is the living evidence which led the young Darwin inexorably towards his revolutionary theory of the evolution of the species. For 150 years the original work has been inaccessible to the ordinary collector. (A rare but incomplete set sold at Sotheby's in New York in 1989 for \$22,000.) Now, thanks to the Royal Geographical Society, this unique piece of scientific research and visual record of an epic expedition can be enjoyed in a fine 4-volume facsimile. A worthy testament to Darwin's great genius.

APPLICATION for PROSPECTUS

Please see Darwin Facsimile C.I.L. Ltd. FREEPOST NH 4241 Cross Southgate, Portsmouth PE2 6BR. NO STAMP NEEDED.

Please send me the free Prospectus with full details of this magnificent facsimile edition. I understand that I am under no obligation at this stage. Overseas enquiries welcome.

Name \_\_\_\_\_

Address \_\_\_\_\_

Postcode \_\_\_\_\_

Delivery included within the UK mainland. Orders subject to acceptance. Wherein quotation available on request. F74

C.I.L. Ltd., Registered in U.K. No. 2785912





HOW TO SPEND IT

# Furnishing desires and designs

Lucia van der Post tracks down the latest in good ideas from young designers

**T**his time of the year is perfect for catching up with what is happening at the grass-roots level of new design. Although almost all of the art and design colleges have end-of-year shows to which the public are more than welcome, there are also a few regular events in June and July which offer proper platforms for young designers.

The New Designers exhibition at the Business Design Centre in Upper Street, Islington, London N1,

celebrating its 10th anniversary, features the work of the best designers graduating from colleges this summer. Each college puts forward the work of its most talented designers, which is then vetted by the Chartered Society of Designers.

The show - entrance fee £6 - is divided into two: from July 11 to 14 it is textiles, fashion and graphics; and from July 18 to 21, interiors, 3D products and crafts. While textiles and fashion graduates get many chances to show their work -

because it is more consumable and visible - graphics graduates have a harder time. The show, therefore, provides a good chance for all those looking for talent among illustrators, designers, calligraphers and the rest.

Furniture, it seems, is looking particularly strong with much innovative use of new materials - including a chair "upholstered" in newspaper. There is some very powerful glassware and the jewellery, too, is well worth a look.

The students are longing for work so, although everything for show is on sale, the organisers are making a special point of offering advice on how to commission a piece and get a good and fair deal from the maker. This is a good reminder that there is a great deal of pleasure to be had from discussing with the designer what you have in mind and then becoming involved in the process.

Most young designers hope eventually to become a New Designer in Business and here

again the regular exhibitions at the design centre in Islington help give these fledgling entrepreneurs a way to introduce their wares to the consuming public or to industrialists and businessmen.

Some who are members of the New Designers in Business Group are holding an exhibition of their furniture at the Ergonom showroom at 395 Euston Road, London NW1 3AR. Here, too, is a marvellous chance to see truly innovative work and decide whether it is for you. The many and varied pieces on

show are, of course, for sale but many of the designers prefer to work to commission and will be open to offers.

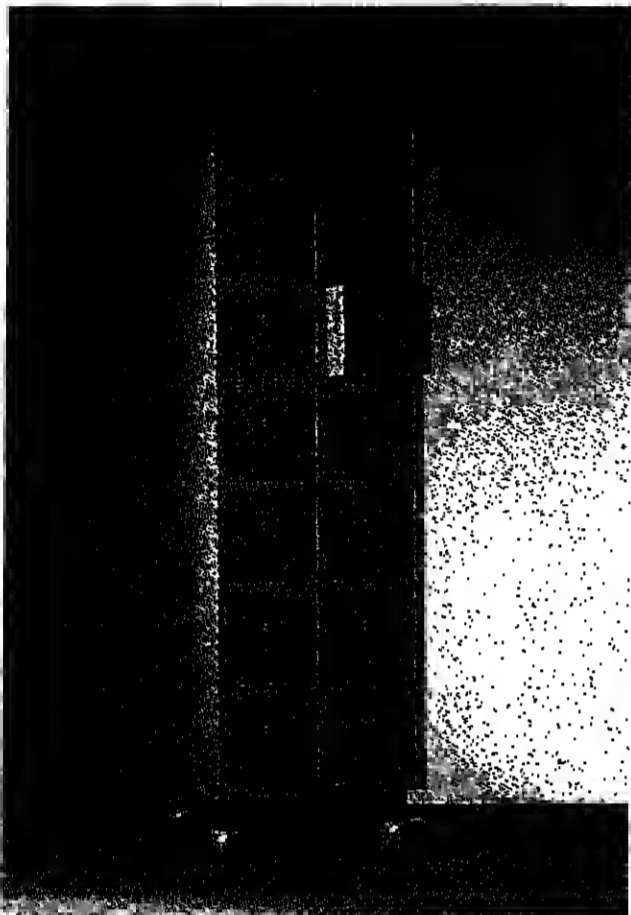
Those with the perennial problem of how to store their hi-fi and CDs should look at the work of Ash Design, as well as at John Whittle's wavy CD rack and Peter Forbes's colourful pack-flat racking system. Whittle is clearly fascinated by the challenges posed by modern technology and has produced a range of furniture designed to deal with it - an office desk system, a

"surf station" and a mobile computer workstation.

Look out also for Paul Gower's beautiful "skyline" desk in ripple maple, made to order, and Glenn Hinton's desk in carved scrubbed elm and steel.

There are bookshelves, lamps and tables, all the appurtenances that complicated modern lives need as well as smaller accessories such as pewter tableware, glass vases and lights.

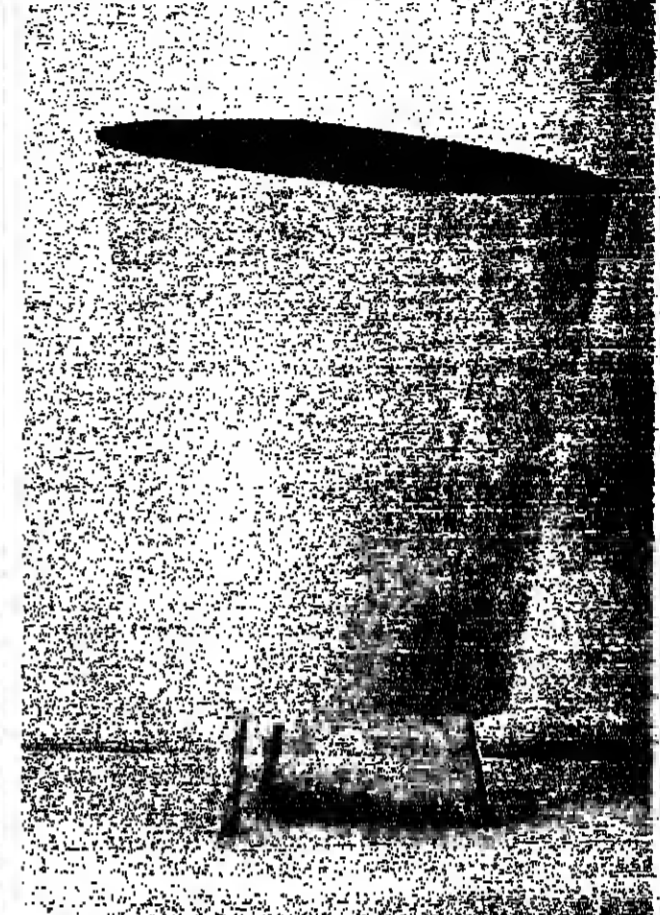
The exhibition at Ergonom is on until July 25.



A 14-drawer tallboy in medium density fibreboard (MDF) with leather handles and steel feet by Mark Gabbatasc, about £900. To order.



AX garden seat by Katie Walker in English oak or Cedar of Lebanon. At 1.7 metres long, it costs £1,050 (plus VAT), and at 2 metres long is £1,150 (plus VAT). To order.



Three-legged wastebasket made from painted plywood by Mark Rogers, £45.

## How to be surrounded by museum pieces

Masterpieces can now be reproduced - and bought, says Lucia van der Post

**T**he Museum Store gets better and better. It sells beautiful and witty reproductions of museum pieces as well as gifts from museum shops around the world.

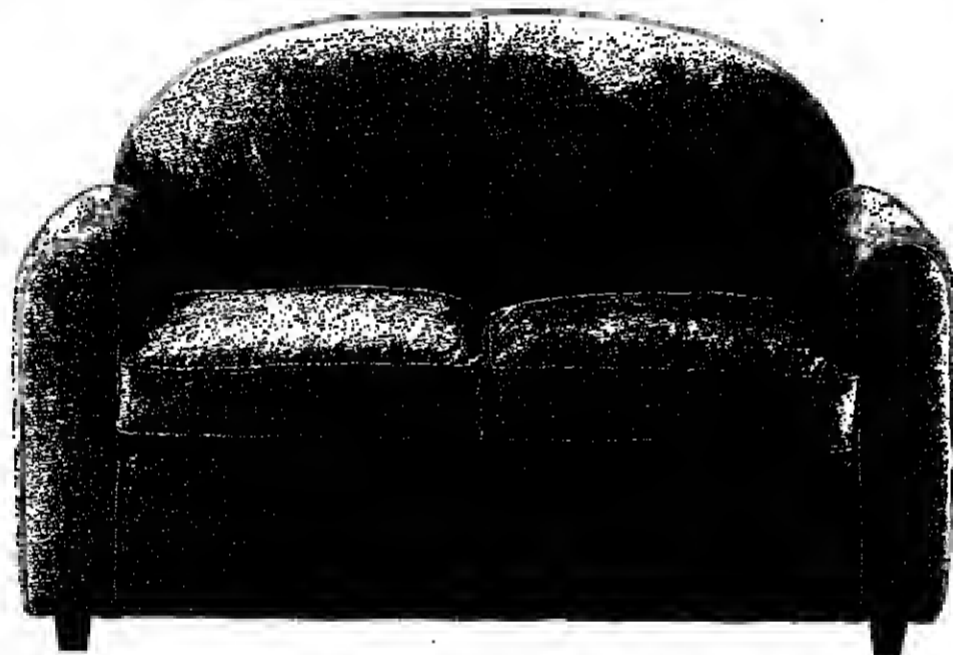
If you have not yet discovered the store you will find it is a marvellous source of interesting and unusual presents. Lovers of art and museums might like to know that the shops were initiated by the Charities Advisory Trust; this means that profits from its activities go back into museum work of some kind - mostly training.

The shop has just expanded its range of associations by

linking with the Italian-based Alivar Museum which holds the rights to reproduce works by some of this century's leading names in architecture and furniture design.

This means that any customer wanting to buy some of the great modern classics can now do so through the store's branch in Beauchamp Place. These range from a Le Corbusier chaise longue or a Bertoia butterfly chair to a Rietveld primary-coloured armchair or an Alvar Aalto laminated serving cart - designed in 1936, it is still the most beautiful trolley in the world.

Just looking through the splendid tome from which the



Jean Michel Frank's two-seater sofa, based on a model used by Frank in the interiors he designed for a certain Madame Cert. The arched back was a dominant theme in chic 1930s interiors - note that the arch starts from the centre of the arm instead of covering all of the back. Note, too, that the arms are straight and do not slope or taper - the effect is quietly elegant and was fashionable among the smartest 1930s decorating set. £2,200.

designs can be ordered is a wonderful reminder of how many splendid designers and enduring classic pieces this century has produced.

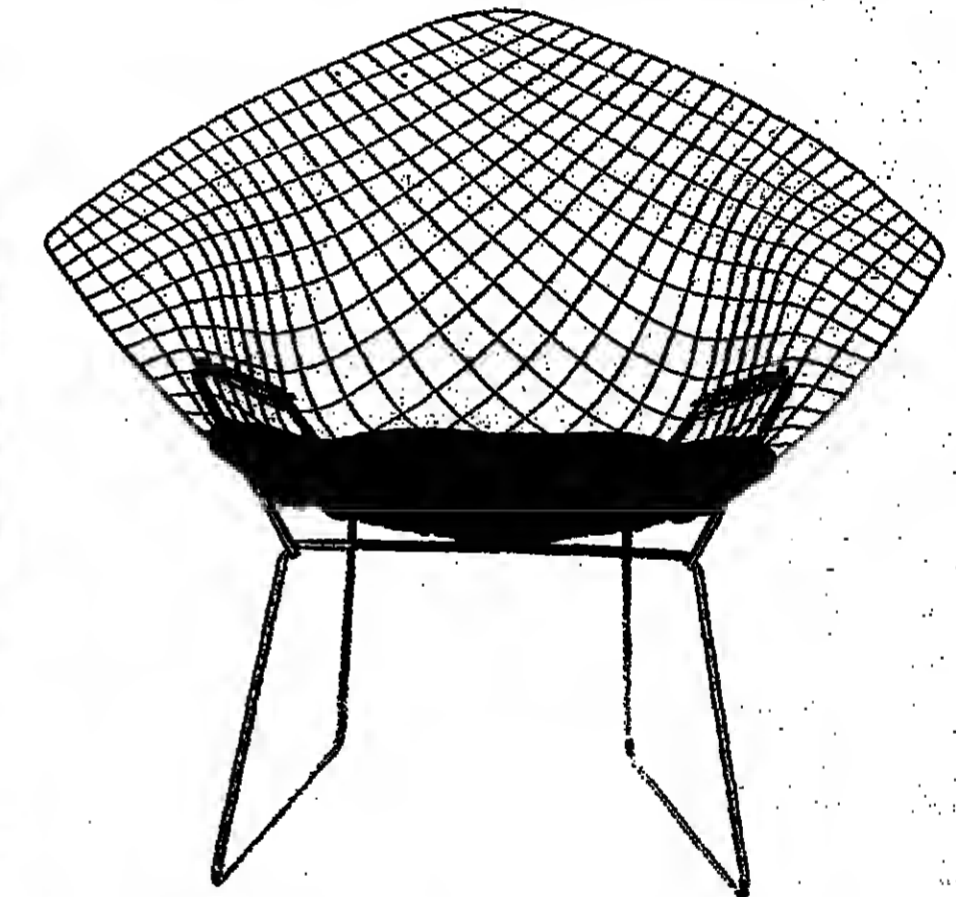
There they all are, all the grand names. Mies van der Rohe, Eero Saarinen, Charles Rennie Mackintosh, Isamu Noguchi, Eileen Gray, as well as the lesser known Mart Stam, René Prou, Jules Leleu and René Herbst. A roll-call of the finest furniture design over the past 80 years, all collected together by Alivar Museum.

The thinking behind the collection was simple - to put together into a single collection all the masterpieces which are considered part of the history of 20th century furniture design - or "the classics of modern furniture".

Begun in 1994, the Alivar Museum collection is manufactured from start to finish in factories in Tavarnelle Val di Pesa in Italy. Every piece is also meticulously researched. It has, of course, concentrated on the fine end of mod-

ern design and there is no evidence of any of the whackier excursions into paper seats, inflatable sofas, sofas made from car-parts or wardrobes created out of industrial waste.

Here all is refined, classic and though possibly a little unadventurous for those of avant-garde tastes, it is a helpful reminder that such designs have a timelessness which means they show their class in almost any environment. An intriguing exercise is to try to



guess the date of any given piece before looking at its caption - I defy anybody who is not an expert to get it right every time. Many of the pieces dating from the 1930s and 1950s look as fresh as if they had been designed yesterday.

It is also worth noting that there is a small but distinguished collection of lighting available too, from names such as Noguchi, Arne Jacobsen, Castiglione and others. Orders take about five weeks to be delivered but that does not take into account the fact that most of Italy closes for the whole of August.

The Museum Store has three outlets: 37 The Market, Covent Garden, London WC2E 8RS; Perrin's Court, Hampstead, London NW3 1QR. The furniture can be ordered from the third at 50 Beauchamp Place, London SW8.

Harry Bertoia's polished and chrome-plated welded steel-wire chair must be one of the most photographed and familiar chairs in the world. Bertoia, an Italian-born sculptor, designed it in 1952 while working at the Cranbrook Academy of Art in Michigan under Charles Eames who, of course, had earlier done some experimental work using wire material. £500.

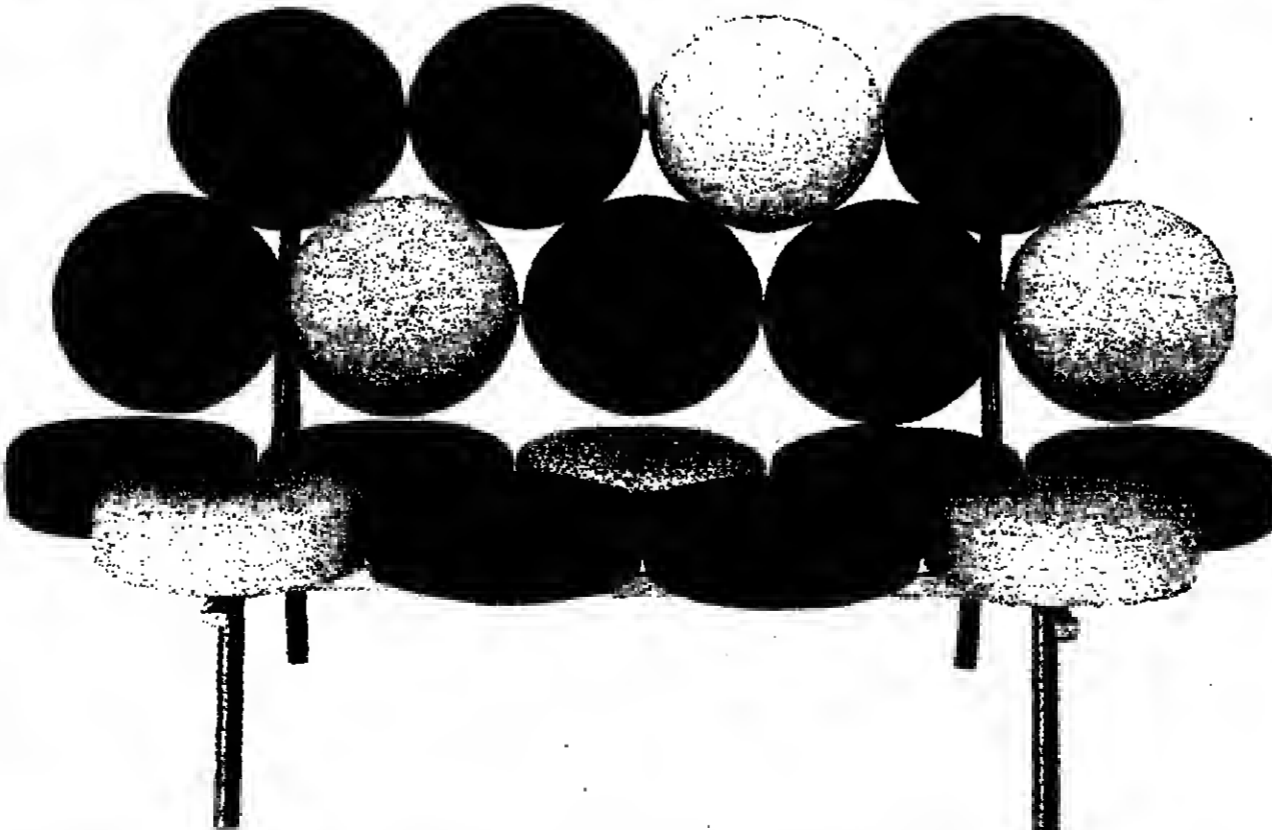
**CHANEL BOUTIQUE**



*Sale*

from  
Saturday 6 July  
until  
Saturday 13 July

31 SLOANE STREET, LONDON SW1  
173 NEW BOND STREET, LONDON W1



'Marshmallow' sofa on a chrome-plated or lacquered steel frame with polyurethane foam cushions covered in dacron, leather or alcantara. First designed by George Nelson in 1956, it takes its name from the popular American sweet - the first version was made in contrasting colours and different combinations. According to the archival note in the catalogue, George Nelson wanted this sofa to be highly functional and yet to project a clear sense of humour. £2,200.

**HERMES PARIS**

**SALE**

from Saturday 6th July  
to Saturday 13th July

at  
155 New Bond Street, London W1  
Tel: 0171 499 8856

179 Sloane Street, London SW1  
Tel: 0171 823 1014

and  
3 Royal Exchange, London EC3V 3LL  
Tel: 0171 626 7794

Opening hours:  
Monday to Saturday 10am to 6pm

Handwritten signature or stamp at the bottom of the page.



FASHION

# Floral arrangements to brighten up the beach

Summon up your courage and try this season's swimsuits, writes Karen Wheeler

**W**hen it comes to swimwear, most of us play it safe and choose an understated, monochrome one-piece which will not draw unwelcome attention on the beach. It takes a certain degree of bravery to forsake the quiet purity of black or white for a vibrantly coloured, floral print design.

Yet the swimsuits in the stores this summer are the prettiest we have seen for many seasons. The sleek, athletic look has been replaced by swimsuits in striking non-bon colours splashed with poppies, hibiscus and tea roses and, suddenly, dressing up for the beach is the big thing.

There are bright florals in almost every range - from the inexpensive to designer labels. They are the biggest story for both bikinis and one-piece swimsuits and are selling well to customers of all age groups, reports Fenwick, which has a swimwear department that is a marker for each season's most fashionable maillots.

The chief objection to splashy, floral designs is that they are not as flattering as, say, a sleek black swimsuit. But many of the styles feature additional draping and details, designed to complement a fuller figure.

Jenny Elkan, proprietor of Bradleys, the specialist Knightsbridge lingerie and swimwear store, says: "The look is very pretty and flowy rather than streamlined and sporty. And the advantage with these styles is that there is a lot more bra shaping and underwiring to create a more defined and uplifted bust shape."

The top label of the season is Manuel Canovas - a French-born designer with a passion for botany and colour - who has produced the prettiest floral designs, using bold, bright brushstrokes.

Known for his home furnishings fabrics, rugs and wallpaper, Canovas has extended his swim and cruisewear range with the help of French designer Myrène de Frémondville, to include a small collection of separates - unstructured shirts, palazzo pants, sarongs and tunic tops - which serve as cover-ups, all in vibrant prints of peony clusters.

The range has proved a best-seller at several London department stores, which report that customers seem happy to pay the prices because they fall in love with the print and then they find that the fit is good too.

"The range is very expensive," says Mary Mack of Fenwick, "but the florals and mix of colours are so beautiful that it sold out straight away and had to be re-ordered. Part of the appeal is the big shirts and matching sarongs - they are not exactly a snip at around the £100 mark, but people seem to love them."

Other swimwear labels have also launched collections of co-ordinating clothes, reflecting the trend for dressing up and covering up to go to the beach. Silk, for example,

has extended the use of "Isabella" - its striking yellow sunflower print on turquoise - to chiffon pareos, shirts and long, sleeveless dresses.

"It is almost harking back to the 1960s and 1970s," says Elkan, "when everybody had a cute little wraparound mini-skirt or cover-up of some kind to go with their swimsuit. And it doesn't necessarily have to be an identical print, so long as it works."

Another new name to note is Cath Kidston. Like Canovas, her speciality is interior fabrics but her very pretty 1960s-style swimsuits have been an instant hit with those who have discovered her shop, tucked off the beaten path in Holland Park.

Her swimsuits in gingham or polka dot prints mixed with florals - using fabrics devised for household furnishings - feature smocking, flared skirts and fashionable halter necks.

**After the minimalist triangles of recent seasons, this year's bikinis are more substantial**

Although one-piece swimsuits were overwhelmingly popular last summer, this year the bikini - celebrating its 50th anniversary - has also made a comeback. After the minimalist triangles of recent seasons, this year's bikinis are more substantial and benefit from ruffling and draping, moulding and underwiring.

There is a belief that a bikini automatically adds several pounds to the physique, but chosen carefully this is not necessarily so.

The best brands for figures which need a little help are Jantzen, Fantasie and Gideon Oberson, which include many styles with underwiring or bra shaping cleverly hidden inside the swimsuit. The Fantasie label is particularly good on fit because it features proper lingerie sizing.

Silk's sunflower print halter-necked bandeau with a draped 1950s-skirt style bottom is very flattering. The label also has a

poppy print on a purple background and an eye-catching range of splashy Chinese florals on a white or turquoise background - featuring ruffled or V-neck - called Fleur.

For younger women and those blessed with long legs and a beautiful cleavage, some of the best styles have little or no in-built support or structure. But they come in the most divine prints. For example, there is Nicole Farhi's halter-neck swimsuits and bikinis in small intensely coloured florals on lemon or aqua blue; Emporio Armani's pink floral print on turquoise; and Kenzo's pink and white printed tank style. Similarly, Moomtada and Raisins do younger styles (without any underwiring) in fun, intensely coloured florals.

At the end of the day it all comes down to choosing a swimsuit that flatters you, and this can be a laborious process. There is nothing for it but a long trying-on session which narrows the styles down by a process of elimination. As a

general rule, ruffles and draping are good plays for those with full figures, and skirts disguise large bottoms. Halter-neck and plunge or V-neck styles draw the eye upwards and away from generous hips or midriffs.

Sarongs, chiffon cover-ups and, this season, even kaftans - in a throwback to the Hollywood poolside look - can all hide a multitude of sins.

This is also a great season for beach accessories: oversized, movie-star shades, scarves, eye-catching sunhats, thigh sandals and mules are

all on fashion's hip list. Another elegant touch, favoured by fashion cognoscenti, is to pin your hair up with a big fake tea rose or orchid by Johnny Loves Rosie (about £15 at Fenwick).

Jackson (available from Whistles) has fabulous flip-flops decorated with fake flowers and Dickens & Jones has beach towels and beach bags in lovely daisy designs. And Roberta Gandolfi's floral towelling bags (reduced from £49 to £29 in the Harrods sale) are just the thing for carrying your novel to the beach.



Top: Turquoise floral swimsuit with underwiring, £112.95, by Roldal, Stockists: 0171-631 3157. This swimsuit's 20 per cent Lycra content and underwiring is guaranteed to hold you in and up.

Above right: Blue/pink floral print bikini with moulded bandeau top, £95, in cotton Lycra by Emporio Armani, 191 Brompton Road, Knightsbridge, SW1. Stockists: 0171-823 8818.

Left: Blue swimsuit with self-coloured appliqué

daisies and net overlay, £140.50, by Oceano from Bradleys, 57 Knightsbridge, London, SW1 (tel: 0171-235 2902). A good alternative for those wary of bold floral.

Far left: Black cotton peony print swimsuit in cotton Lycra, £125, and matching cotton voile overshirt, £212, both by Manuel Canovas from Sam Browne, 56 Fulham Road, London, SW10. Stockists: 0171-225 2298.

Bottom: A 1950s style, blue rose and spot print swimsuit with skirt in pure cotton, £75, by Cath Kidston, 8 Clarendon Cross, London, W11 (tel: 0171-221 4000). An unusual swimsuit featuring a fashionable halter neck, smocking and a flared skirt. The only drawback is that it is without Lycra.

Illustrations by David Downton

**'THE ULTIMATE IN COMFORT FROM JOHN LOBB READY-TO-WEAR'**

**SALE: SATURDAY 6TH TO SATURDAY 20TH JULY**  
Opening Hours: Monday to Saturday  
10am to 7.00pm



**"THE JOHN LOBB SALE IS NOW ON"**

**JOHN LOBB**  
PARIS

JOHN LOBB, 90 JERMYN STREET, LONDON, SW1Y 6JD  
TEL: 0171 930 8089

SALE  
Saturday  
Hand  
Tel: 0171 930 8089



GARDENING

Head for the border

Robin Lane Fox discusses the merits of the Hampton Court show

The Hampton Court Flower Show begins on Wednesday and runs through to Sunday. When I first went, only five years ago, it was a homey affair where there was a sporting chance of buying a blackcurrant-scented salvie and swapping stories with the nursery persons.

It has grown even faster than I salvie and last year, it was teeming with added shoppers. I found it easier to discover china models of Jemima Puddeluck in the surrounding craft village than to unearth the rare Japanese epimediums which quicker customers were carting off in supermarket bags to the car park, expecting them to flourish in full sun among the petunias.



Mind the gaps: Hampton Court prolongs the season

which is early and leafy can now be beneficially massacred or moved out. Peonies are exempt because they resent being disturbed. Wild aquilegias and foxgloves are another matter, even when they have deep roots.

open space for some exotic white daisy. Meanwhile, the centaurea regains its vigour and flowers a second time in September. As a general rule, cut it back if it looks leafy and messy and is not a shrub. Dig it up and dump it beyond the sweet williams if you are confident of getting it in full with two jobs of the fork.

I know this shuffling sounds tiresome. But it only takes a few hours and a sense of adventure and it really does transform a garden's prospects for the next three months. It also runs wonderfully counter to the received and strident wisdom from either corner of the gardening world. Received wisdom tells you to leave herbarious plants undisturbed for several years and only divide them after three years or more.

I think, on the contrary, that I have four good months ahead of me, that I would not garden if everything slipped on July 10 or looked like a German stamp from July onwards. Gardening is a game, played to the limits of your own tolerance and the tolerance of plants which you can please.

your cotland

COUNTRY PROPERTY

Real estate listings for Country Property. Includes Knight Frank International, Wilshire (Northampton, 16 miles, 1800 sq ft), Perthshire (Auchterarder 2 miles, Edinburgh 42 miles), and Hill & Morrison (Long Sutton, nr. Odbarn).

INTERNATIONAL PROPERTY

Real estate listings for International Property. Includes Knight Stops & Staff (West Sussex, Northumberland), Cascais (Portugal), Belgium, Brussels (Block of Flats), and FOCUS Immobilien (Kronberg).

HOME SEARCHERS

Home Searchers advertisement. Includes 'HOME TRUTHS PROPERTY CONSULTANCY' and 'LONDON HOMESearch SPECIALISTS'.

SAVILLS

SAVILLS advertisement. Includes 'LE CHATEAU DE FRESNOY-AU-VAL NR. AMIENS, NORTHERN FRANCE', 'MONTE-CARLO', 'MAGEDI', and 'PART EXCHANGE TO THE COTE D'AZUR'.

LONDON PROPERTY

LONDON PROPERTY advertisement. Includes 'KENSINGTON GREEN', 'Covent Garden', and 'REGENTS PARK' listings.

LONDON RENTALS

LONDON RENTALS advertisement. Includes 'ATLANTIC WHARF, LONDON E1' and 'LAWRENCE WHARF - LONDON SE16' listings.

of Cullinan your cotland

your cotland

hal





TRAVEL

A whiff of the tropics in Queensland

People going to Australia used to be sent there, emigrating or visiting relatives. But the higher speeds and lower prices of air travel are making it a realistic holiday destination. In the first of three pages of articles, Nicholas Woodsworth travels to the country's far north

There is a moment of arrival I relish - that instant when, on stepping from the refrigerated and sterile atmosphere of an aircraft, one takes a deep breath of the air of a new place. Cool and mist-soaked, dusty and fragrant, or hot and fuggy, that first lungful of air can be more tantalising, more packed with intimations of things to come than a rackful of brochures. I was mystified then, stepping on to the tarmac after a long flight to Australia, to sniff the warm wind and have it tell me I was in south Florida. I sucked down another nose-ful. There was no doubt about it, it was all there - the humidity, the salt breeze, the rich hint of vegetal rot, the slight whiff of boatness and dissonant living. But this was not Key West - this was a lush coast on the other side of the world, a part of Queensland so distant from the big cities of the south it is known as the Far North. At least I hoped it was. The illusion of America persisted even after I left Cairns airport in a rented car and began threading my way up the coast beside a warm and placid sea. This was not the conventional tropics, the sweaty third world of potholes and wheezing buses, roadside chickens and one-room shacks. Looming before me instead was an affluent tropic. On the outskirts of Cairns there were shopping centres, suburban bungalows, fast-food drive-ins, swimming pools. Even the logos on the licence plates of passing cars tried to persuade me I was closing in on Disneyland - "The Sunshine State" they read, precisely as they do in Florida. But any idea that I might have got on the wrong aircraft vanished when, an hour later, I



A treasure chest off the north Queensland coast: yellow striped goatfish on the Great Barrier Reef

Carly Bot

turned off the main highway and followed a long avenue of palms to the resort town of Port Douglas. Popular resorts in Florida are tacky, overcrowded and highly commercialised. Port Douglas is not in the same league as America's brazen tourist hussies. There were lush trees and plants; wooden clapboard houses on broad streets; wide-verandahed bars and hotels open to the breeze; a lazy, indulgent atmosphere. In the holiday season there is a fair amount of partying and merry-making. But if Port Douglas brings Key West to mind, it is a calmer, tidier, more sedate Aussie Key West. On Macrossan Street, the town's one commercial thoroughfare, there are still men wearing shorts and long socks; parking meters, miraculously, have yet to make an appearance. Not so long ago Port Douglas was a marlinid fishing port slumbering its way through heat and humidity. What, I asked resident Josh Gibson, has turned it and other towns along the far north coast around? Her answer was simple - air conditioning and Australia's discovery that it is possible to live comfortably in the tropics. Gibson is a marine biologist and, like so many other Australians, a nature enthusiast. The north Queensland coast, she said, offers her the outdoors in a way no other part of Australia does. Just 8 miles off Port Douglas's beaches begins one of Australia's national treasures, the Great Barrier Reef - the size of Britain, it is the largest coral reef system in the world. Just inland lies another area listed by Unesco as a World Heritage site, 900,000 hectares of wet tropics rainforest. Comprising only one-quarter of 1 per cent of the Australian land

mass, the rainforest contains half of all the plant and animal species on the continent. Nowhere else in the country, she said, is there such accessibility to such a variety of natural beauty. Other Australians seem to agree - many have opted to move here. What saves it all, what prevents the Far North from becoming another hectic and overcrowded Florida-style vacationland, is the area's isolation - Brisbane is 1,400km away - and the vast continent's relatively tiny population of 18m. The north coast has not always been looked on so favourably. Today it appears fertile and prosperous - driving down the coast towards Townsville under the tumbled, heavily forested hills of the Great Dividing Range, I drove hour after hour through fields of sugar cane ready for harvesting. Around Innisfail there were banana plantations. Further on were roadside stands selling pineapple, mango, paw-paw and rambutan. But not far from the little stream of Corroborree Creek I stopped at a cemetery in which the headstones, although dating from the turn of the century, were blackened by heat and humidity. The climate, the isolation, the back-breaking work of the cane fields did not attract Australians from the milder climates of the south - much of north Queensland was

tucked into was down-to-earth pasta and the decor strictly modern small-town Formica. "Enjoy the relaxed elegance of O'Leary's basement bar," I heard on the radio as I drove along a warm and breezy seaside esplanade into Townsville. Australia's largest tropical city (population 125,000) has pretensions of urban sophistication, but it too, thank goodness, remains a lively, untidy, friendly provincial town. A seat of government and the sugar trade, Townsville is also the world's largest centre of marine studies - the Great Barrier Reef dominates the lives of a wide array of marine scientists, researchers, academics and students living there. It also dominates the imagination of visitors to the Great Barrier Reef Marine Park aquarium, the biggest coral aquarium in the world. I watched fascinated as diminutive, grey-haired Rosemary Payet, an aquarium guide as gentle and timorous-looking as my own grandmother, enthusiastically pointed out scorpion fish, sea snakes and moray eels. But she was even more enthusiastic about the underwater beauties that lay just offshore. It was irresistible. A day or two later, from my bungalow at the Kewarra Beach Resort - a delightful retreat hidden in a sea-side rainforest 20 minutes from town - I made my way to busy Cairns harbour. Not long after, I found myself in mask and fins plunging from the stern of a bobbing dive-boat. Opening my eyes to a blue, fish-teeming scene, I suddenly saw what Josh Gibson and Rosemary Payet were on about. Another new and tantalising world. My sole disappointment was that I could not take a deep, investigatory breath of it. Nicholas Woodsworth lives in Australia with Qantas Airlines. Tel: 0345-747767. Information about north Queensland may be obtained in London from the Australian Tourist Commission, 10 Patney Hill, SW15 6AA. Tel: 0151-780 2227.

HOLIDAYS & TRAVEL

Hotels advertisement for The Victoria Hotel, AA \*\*\*\* RAC Hotel, featuring luxury family holidays, indoor and outdoor heated pools, spa bath, tennis, putting green, hairdressing salon and full entertainment programme.

Executive Hotel Reservations advertisement offering up to 50% off 4 and 5 star hotels, with phone number 0171-935 1335.

Egypt Nile Cruise advertisement for a 7 nights full board guided excursion, with prices for June (£299) and July (£349).

Frequent flyer advertisement for flights, listing destinations like London, Paris, Rome, etc., and phone number 0171 493 0021.

Scotland from £29 advertisement for flights, with phone number 01582 44 55 66.

Check in for business advertisement listing flight times and prices for various airlines, with phone number 0171 637 3146.

Overseas Express advertisement for low cost flights to Germany, E. Europe, Africa, etc., with phone number 0171 724 2255.

France Camping in the South of France advertisement, featuring a 4-star tent for £29 per person per week, with a table of prices for different tent sizes and durations.

Provence advertisement for a beautiful villa in France with swimming pool and tennis court, available August.

Exclusive South Africa advertisement for a luxurious country house in the Garden of Eden, with phone number 011 481 7370.

Safari advertisement for a tailor-made safari to Africa, with phone number 011 246 7268.

Australia advertisement for a tailor-made holiday to Australia, New Zealand, and other regions, with phone number 01585 40891.

Switzerland Lucerne advertisement for a residence national at the lake of Lucerne, with phone number 01 41 41 49 68.

Select a world of your own advertisement for Lizard Island, Australia's Great Barrier Reef, with phone number 0171 838 1011.

Villas advertisement for the best villas in the Palmer and Parker blue book, with phone number 01244 897 888.

Luxury Australia advertisement for elegant resorts worldwide, with phone number 01244 897 888.

Scotland advertisement for holiday properties throughout Scotland, with phone number 01585 87 07 11.

Crofts & Castles advertisement for holiday properties throughout Scotland, with phone number 0171 722 0722.

Caribbean advertisement for St Barts luxury villas with pools, with phone number 0171 722 0722.





BOOKS

Mad about schizophrenia

Anthony Storr discusses the controversial career of psychiatrist R.D. Laing

R.D. Laing was, for a number of years, the most famous psychiatrist in the world. He was always a controversial figure.

Laing was born on October 7, 1927, the only child of a Presbyterian couple living in Glasgow.

Laing was a precocious and somewhat isolated child. He became a Licentiate of the Royal Academy of Music at the age of 16.

Laing's first posts in medicine were in psychiatry and neurosurgery. When serving an obligatory period as an army doctor, he was posted to the psychiatry unit at Netley.

then in vogue, which included insulin coma and electroshock. According to Laing's own account, no-one talked to schizophrenic patients, or got to know them as individuals.

In a later post, Laing was allowed to experiment with a group of 19 chronically psychotic women, by modifying the stultifying hospital regime to approximate more closely to normal home conditions.

R.D. LAING: A DIVIDED SELF

by John Clay Hodder & Stoughton £20, 308 pages

THE WING OF MADNESS: THE LIFE AND WORK OF R.D. LAING

by Daniel Burston Harvard University Press £21.95, 269 pages

ally-determined mental illness depending upon some organic brain pathology as yet not understood.

Influenced by Winnicott's conception of the "false self", Laing considered that schizophrenics were people who had, for the sake of security, falsely conformed to what the family expected of them.

Laing was a precocious and somewhat isolated child. He became a Licentiate of the Royal Academy of Music at the age of 16.

Laing's first posts in medicine were in psychiatry and neurosurgery. When serving an obligatory period as an army doctor, he was posted to the psychiatry unit at Netley.

Laing was a precocious and somewhat isolated child. He became a Licentiate of the Royal Academy of Music at the age of 16.

took Clinic in 1966, was regarded as one of the brightest potential stars in the psychoanalytic world.

Laing was right in postulating that a psychotic episode can be a prelude to a new, more authentic expression of the true self.

Research has demonstrated that an intrusive, critical, emotionally over-involved family can cause relapse in schizophrenics who have been discharged from hospital.

Laing may sometimes have been inspired, but he was entirely lacking in critical judgment. It was deeply unfortunate that he became a prophet with a world-wide reputation.

The last ten years of Laing's life were disastrous. He became involved with ridiculous theories about pre-natal experience and adopted bogus techniques of "rebirthing".

Both these biographies are first-class. Burston's is the more detached and objective. Clay's is the more revealing of Laing as a person, not only because he is himself a Jungian analyst but also because he had easier access to more people who knew Laing personally.

Loitering with Intent: The Apprentice by Peter O'Toole Macmillan £20, 406 pages

With Nails: The Film Diaries of Richard E. Grant Picador £16.99, 310 pages

Steven Spielberg by John Baxter HarperCollins £18, 438 pages

Unwell. This is the player for whom teasing and dandyishly toying with an audience is every bit as much fun as dazzling them.

Like O'Toole, Richard E. Grant shows signs of being as good a writer as he is an actor, though he is a little lower on both totem poles.



The Lives of the Valley Fabergé egg was made in 1896 for Czar Nicholas II, whose portrait is flanked by his daughters, Olga and Tatiana. The egg was later bought by Malcolm Forbes, whose son Christopher writes the introduction of "Fabergé Eggs" (Henry N Abrams £11.95, 98 pages).

Deep in darkest Peru

Mario Vargas Llosa's triumphant first novel, The Time of the Hero (1962), depicted the Leoncio Prado Military Academy. Memorable in the midst of this violent institution was the presence of a lone vicuña.

More than 80 years later, Vargas Llosa, the most celebrated Peruvian writer and former presidential candidate, has chosen the massacre of a herd of vicuñas to represent the bloodthirsty excesses of Sendero Luminoso.

DEATH IN THE ANDES by Mario Vargas Llosa Faber £15.99, 276 pages

MAKING WAVES by Mario Vargas Llosa Faber £20, 338 pages

Some of the most enjoyable writing is personal, anecdotal. "A Visit to Bunnell", a brief encounter with the filmmaker, is a gem.

In his introduction to Making Waves, John King advises us to read Vargas Llosa's account of an incident which took place in 1982, when a group of journalists was murdered in the Andes.

Vargas Llosa describes the meeting held by the commission of investigation, in which the villagers asked whether "Mr Government" could send guns. He recalls his sense of the futility of explaining to the villagers that they had broken the law.

Vargas Llosa has given us some idea of the thinking behind his decision to make superstition the focus of Death in the Andes. In the past he said that "civilization is boring. It is barbarism which is exciting... It is adventurous. Civilization is mediocrity, respect for the law, respect for judges..."

Vargas Llosa left Peru hours after the news of his defeat in the 1990 elections. In 1993 he became a Spanish citizen. "I am a writer born in Peru who has written books set in Peru. I am not a Peruvian writer."

Actors on a literary roll

At school there was a popular riddle: "Which is heavier, a pound of lead or a pound of feathers?" One is reminded of it by the second volume of Peter O'Toole's autobiographical saga, Loitering With Intent.

Loitering With Intent: The Apprentice by Peter O'Toole Macmillan £20, 406 pages

With Nails: The Film Diaries of Richard E. Grant Picador £16.99, 310 pages

Steven Spielberg by John Baxter HarperCollins £18, 438 pages

Unwell. This is the player for whom teasing and dandyishly toying with an audience is every bit as much fun as dazzling them.

Like O'Toole, Richard E. Grant shows signs of being as good a writer as he is an actor, though he is a little lower on both totem poles.

Once encountered, Parson Adams and his refreshing view of the world - and his propensity for getting into trouble and falling into ditches, ponds and other declivities because he is "lost in contemplation of a passage in Aeschylus", are unforgettable.

Henry Fielding had a mixed press in his own century. Sir John Hawkins attacked his Tom Jones as a book "seemingly intended to sap the foundation of that morality which it is the duty of parents and all public instructors to inculcate in the minds of young people."

NEW AUTHORS PUBLISH YOUR WORK ALL SUBJECTS CONSIDERED... MINERVA PRESS

The philosopher Bernard Harrison has described Fielding's outlook as "a morality of good heartedness". This emotion is described by Fielding as "that benevolent and amiable Temper of Mind which disposes us to feel the Misfortunes and enjoy the Happiness of others; and consequently pushes us on to promote the latter, and prevent the former; and that without any abstract Contemplation of the Beauty of Virtue, and without the Allurement or Terrors of Religion."

The most endearing characters in English literature: his novel Joseph Andrews. Fielding wrote it as a satirical response to Samuel Richardson's bestseller, Pamela. Richardson's tale is ostensibly one of virtue rewarded; serving-maid Pamela repulses the repeated libidinous assaults of her employer Squire B.

improving and extending his treatment he invented Pamela's brother, Joseph, and subjected him to the same assaults, this time by Squire B's wife Lady Booby, and her companion Mrs Shiplop.

beauties of Homer's poetry and punching a publican on the nose come equally naturally to the person, and Fielding extracts much high humour from Adams' complete innocence of city ways, as evidenced by his mistaking a cure for venereal affliction as a form of spiritual retreat.

Richardson and Fielding between them invented the true English novel. The letter has perhaps the greater claim than the former, who adapted

the epistolary technique for fictional purposes whereas Fielding blended the example of Cervantes with realism, psychological perceptiveness and more complex structure. But it is Fielding's rich expression of an optimistic Enlightenment spirit that sets him apart, an outlook which, for all the comedy of its embodiment in Parson Adams, still offers one of the best hopes for civilising the world.

صكازمان الأصيل



BOOKS



Harold Macmillan, Jacqueline du Pré, Laurence Olivier and Henry Moore chosen to adorn the cover of the latest Dictionary of National Biography, encapsulating several myths of our century

# Magic mix of eclecticism and establishment values

Begun in the high-noon of imperialism, this last volume of the DNB looks forward to the radicalism of the 21st century, writes Jackie Wullschlager

What have Wallis Simpson, Jacqueline du Pré, Harold Macmillan, Laurence Olivier and Henry Moore in common? They all died between 1986 and 1990 and, like the other five figures chosen to adorn the jacket of the final volume of the *Dictionary of National Biography*, published last week. Those who died after 1990 will be included in a completely new and rewritten dictionary, due in 2004.

The glamour cover for this concluding volume, encapsulating several myths of our century – the commoner who brought down the king, the brilliant artist doomed to die young, the leader of the never-had-it-so-good years. The conjunction of the five figures tells us much about attitudes to public life: their biographies here are fascinating because they mark a transition from the old Victorianism to the radicalism

expected from the 21st century's new one.

The dictionary's stumpy title belies its bizarreness. Colin Matthew, editor of the New DNB, says the work "epitomises the best characteristics of the British mind by being open, fair, liberal, accurate and quirky". Begun in 1882 by Leslie Stephen, Virginia Woolf's tyrannical father, to "supply full, accurate and concise biographies of all noteworthy inhabitants of the British Islands... from the earliest historical period to the present time", it is a classic of the 19th-century imagination: massive, inspired, earnest, over-ambitious – the scholarly match of the era's fat triple-decker novels or its overblown romantic operas.

Stephen collapsed, mentally and physically, as a result of it. But he left a monument to Victorian liberal nationalism – a work celebrating both the nation state and the role of the individual within it – which has thrived in our century, a new vol-

une appearing each decade. Now it needs an overhaul to reflect social, political, technological patterns of the next millennium.

Certain trends which will mark the New DNB already leap out here. Predictably, there is political correctness. Just four per cent of Stephen's entries were female; the 40 per cent of women on the jacket here heralds a commitment to equality. "To capture the essence of national life at different periods, the inclusion of woman who contributed to public life is essential," says Jane Garnett, consultant editor. The Victorians ignored women's key influence as political hostesses, for instance, or in family businesses; figures such as Elizabeth Baring, 18th-century "mother" of Barclays Bank, would get substantial entries in the New DNB.

A second trend is our obsession with performers, artists, quasi-royals – 80 per cent of the jacket pictures. Where the Victorians had a roll call of bishops, soldiers, statesmen – remote and heroic – the way into today's DNB is as enterprising (36 entries), sportsman (16), broadcaster or journalist (30). These modern, people-friendly professions rival entries for politicians (18), the military (15), religious leaders (11). No one, however, will be thrown out of the New DNB, for the Victorians' greatest joy is its insight into the sheer oddity of British life. Hugh Macdonald Sinclair (1810-90), nutritionist, for instance, "a difficult man to work under, with, or over", was "allergic to publication", which cost him his job, tried an Eskimo diet of water, seal and fish for three months in his 70s, collected erotica – sold for £70,000 in 1992 – and never married because both his fiancées died during their engagement to him. Lord Pearce (1901-80), eminent judge and chairman of the Press Council in the 1970s, "made a lovely garden" with his wife in Sussex, "suffered with trouble to both his hips" and "was never a rich man – until the very end", when a sculpture he had bought for £15 sold for £52m.

In fixing British life witily and tangentially, through individuals, the DNB resembles a good best man's speech – striking a chord with those in the know, utterly impenetrable to foreigners. A major reason is class – of the cover

entries, class is at the heart of Moore's rags-to-riches life as miner's son turned Hamptoned Bohemian; of Macmillan's agony as hapless middle-class husband to a faithless aristocratic wife; of Wallis Simpson's wretched relations with her in-laws.

The New DNB, to include entries for families and groups (the Desert Rats, the Bow Group), will stress social context. It will be written by academic experts rather than opinionated Victorian literati; it will be a virtual treat – 10,000 likenesses taken from the National Portrait Gallery – and, available on electronic media to allow cross-referencing, a researcher's dream.

It is an exciting and challenging project; but let us hope that the 21st century high-tech version will retain the magic mix of eclecticism and establishment values which makes this last volume of the old dictionary so illuminating.

DICTIONARY OF NATIONAL BIOGRAPHY  
Oxford University Press £50, 607 pages

rian choices are themselves significant pointers to the former make-up of society.

The third trend is greater intimacy with the subject. Previous volumes had formal portrait-style jackets. This one has a photo-montage of individuals in action – Moore with a sculpture, du Pré playing the cello – who blend cosily into one another. In the text, private lives are calmly assessed (Olivier "had

# Begone with the Windsors

Now that our monarchy has been turned into a soap opera – it is a shame that both *Dynasty* and *Coronation Street* have already been used as titles – it is inevitable that its characters should be fair game for every kind of biographical exercise. The royals have joined that select band of the Lager Boreds of the book world, about whom never enough can be written. (Others in this litany of tedium include the entire Bloomsbury Gang: first novels are to be replaced by first studies of Lytton or Virginia or Carrington as a literary baptism.)

The Duke and Duchess of Windsor claim an especial place in the soapy chronicles, with Wallis Simpson obviously destined to be played by Joan Collins. They have been put on show for public delectation and prurient surmise in book after book, praised, excused, blamed and, since the Duchess's demise, have been paraded through the world like Ines de Castro, dead but refusing to lie down.

Michael Bloch, assistant to the Duchess's formidable lawyer Maître Suzanne Rizou, has made a cottage industry from the Windsors' lives, having already produced five books

about them. Now comes another, which "does not aim to be a comprehensive biography of the Duchess", but seeks to "capture something of her personality, explain the main episodes of her much-misunderstood life, and touch on certain aspects which may lead to better knowledge of her."

This better knowledge brings assertions about her genitalia, her sex-life, her masculine appearance as an adult, possible gender confusion as a baby, her charm for lesbians and, as a *bonne-bouche*, the view that she had "much in common with Queen Elizabeth I, her first cousin by marriage 12 times removed" since both, we are advised, were incapable of normal sexual intercourse. Short of charges of arson, well-poisoning and lycanthropy, this seems an all-embracing catalogue.

Of course the Windsors were a bizarre and tragic couple.

Bloch's narrative covers the chief matters of the Duchess's life, and the book is heavily illustrated with photographs which capture her glossy, stylish presence, with the curiously recessive and weaker figure of the Duke beside her like

THE DUCHESS OF WINDSOR  
by Michael Bloch  
Waldenfeld & Nicholson  
£18.99, 239 pages

an adoring donor in some Renaissance painting.

That the Duke adored her the far side of idolatry is historical fact. That he could not live without her is no less certain when Wallis Simpson sought in 1936 to get out of the then King's life, "he threatened to follow her or to commit suicide." That with his abdication we lost a king who seemed ill-suited to rule, and gained a monarch who demonstrated every virtue of service and dignity, seems no less clear.

Bloch's thesis, unstained throughout his narrative, is that Wallis Simpson provided vital elements that Edward, as Prince of Wales and then as King and exile, lacked: a discipline which satisfied his emotional needs and, presumably, his sexuality; and a superbly controlled environment. (Decorations became a substitute for life.)

The most astute comment was which Bloch does not quote – is surely Geoffrey Madan's description of her as "half governess, half earwig". The image is exact of the darkly gleaming, polished figure; the implied psychology no less so as a summation of her dominating hold over the Duke's feelings. Bloch is unabashedly partisan – how else account for his statement that "the element of virginity would

# Fiction/Martin Mulligan Too clever by half

Joyce's *Ulysses* features an academic of such astounding intellect that when he cuts the grass even his lawnmower goes "clever, clever, clever". Jose Saramago's *The History of the Siege of Lisbon* brings him spontaneously to mind. Joyce's professor would be entirely at home in this experimental text.

Saramago is working within a fine tradition of semantics and philosophy followed by Umberto Eco, Italo Calvino and even Borges. Indubitably a mega Eurotalent, he perhaps has an important Contribution to Make. But the image of that academic cutting the grass is hard to shake off.

Big ideas abound in this story of Raimundo Silva, a middle-aged proof reader smarter than the author whom he serves. First and foremost is the idea of history as "a fable agreed upon". Silva alters a sentence in a moment of uncharacteristic self-assertion.

to watch him cut the grass. But how is a reviewer to convey the excellence of *Excession*? If I tell you that it is the thinking man's *Star Wars*, you will look at me blankly. If I add that in it Banks has created the Affront, a hearty but horrible, compulsively likeable race of beings who resemble tentacled jellyfish the size of a Mini Metro, you will shuffle your feet uneasily and take me for a socially-challenged Games Workshop morak.

Some people think it odd and even faintly improper that grown men and women should write or read novels about sentient spaceships who form a fleet to explore a singularity (the *Excession*) in their universe when there is perfectly good money to be made trading stock options or downsizing organisations. Those people will not enjoy our profit from Banks' wonderful novel. Everyone else in the known universe will.

Clement Crisp

THE HISTORY OF THE SIEGE OF LISBON  
by Jose Saramago  
Harvill £15.99, 312 pages

EXCESSION  
by Iain M. Banks  
Little, Brown £15.99, 456 pages

What the otherwise dull history book now says is that the Crusaders did not help the Portuguese to recapture Lisbon from the Saracens in the 12th century. And so the book goes to print.

The novel elaborates the sweeping consequences of this single act on Raimundo and the world. His superior Maria Sara falls in love with him as a result of his masterful act. The novel contains no speech marks, since Saramago wants the reader to supply all the conversational emphasis. The chapters lack numbers, each being preceded instead by the universal proof reading symbol for "take out" (or delete), presumably because the story should never have happened. Get it? Clever, clever, clever.

Talking of clever, Iain M. Banks' novels are so good that his publishers should produce them in hand-tooled embossed calfskin. Science fiction of this quality is almost as rare as beryllium. If Banks has a lawnmower it must be an education

# A city's influence on the Russian soul

displaced, disgruntled aristocracy forcibly uprooted from Moscow. This shining metropolis – the "Venice of the North", the "Window into Europe" – has always been an entirely synthetic creation, a strikingly beautiful stage set, the artwork of a cultivated tyrant.

This unique status, as Solomon Volkov cogently argues over the course of his leisurely, informative cultural history of

the city, has contributed both to the charged, fertile output of its writers, composers and artists and to the enigmatic cultural identity of the Russian nation itself.

The St. Petersburg "mythos", as Volkov terms the city's mythological allure, began life with an almost completely negative taint as the disoriented population reacted violently to incarceration in Peter's neoclassical prison: "Peter called his new capital a 'Paradise,'" lamented the Tsar's court historian. "But it turned into a big cemetery for the people."

grim, harsh and strange influences on a man's soul than in Petersburg." It was only with the upsurge of patriotic feeling that accompanied the music of Tchaikovsky that Peter's urban vision began to redeem itself.

ST PETERSBURG – A CULTURAL HISTORY  
by Solomon Volkov  
Snaclair Stevenson £20, 598 pages

Tchaikovsky's opera *The Queen of Spades* and his ballets *The Nutcracker* and *Swan Lake* are all infused with the limnence of the city, its unique combination of water, stone, air and light. Unfortunately, just when St. Petersburg's inhabitants were beginning to feel at home in their city, it was overrun by the Bolsheviks, renamed after a mass murderer and almost wiped from the face of the earth by Adolf Hitler. All of which, as

Much of the city's (and Russia's) greatest literature has been propelled by the same awe and revulsion which has been inspired by this artificial, grandiose environment: "This is a city for the half-mad," ranted Dostoyevsky, who thought the architecture a pale imitation of western classicism. "There are few more

John O'Mahony

BOOKS DELIVERED DIRECT

To order ANY book, FT Management Report or FT Newsletter currently available, please call +44 181 964 1251

or send a cheque to:  
FT Bookshop, 29 Pall Mall Deposit,  
Barbary Road, London W10 6BL.

Or fax your credit card details to: +44 181 964 1254.

E-mail [bt@mail.bogo.co.uk](mailto:bt@mail.bogo.co.uk).  
Delivery: Europe £1.50; Rest of World £7.50

FT BOOKSHOP

**FT FINANCIAL TIMES**

**BACK ISSUES OF THE FINANCIAL TIMES**

Back issues of the Financial Times are available by post or personal collection:

- \* £2.50 (FT up to three months old)
- \* £4.00 (FT older than three months)

By post: Please telephone 0171 873 4683  
Personal collection: From the Financial Times,  
One Southwark Bridge, London SE1 9HL  
(9am-5pm, Monday-Friday)

**Every day, we help thousands of people like Zoe fight cancer.**

**Give people with cancer a fighting chance**  
Over 70% in every £1 donated goes directly into vital research  
I would like to make a donation of £ \_\_\_\_\_

(Cheques payable to: Imperial Cancer Research Fund)  
or charge £ \_\_\_\_\_ to my Access/VISA/Master/Diners/Charity Card No. \_\_\_\_\_

Expiry Date \_\_\_\_\_ Signature \_\_\_\_\_  
Mr/Ms/Miss/Ms \_\_\_\_\_  
Address \_\_\_\_\_

**Imperial Cancer Research Fund**  
Please return your donation to:  
Imperial Cancer Research Fund  
TRUSTEES (W040663)  
London WC2A 3BR FT42





SPORT

Tennis

# The dreams of all England

The nation took defeat well in a tournament full of upsets and surprises, writes John Barrett



Pete Sampras: "I ran into a player who was really hot"

The most remarkable Wimbledon I can remember ends this weekend - weather permitting. After nine days of stunning upsets the biggest shock of all came on Thursday with the defeat of the three-time champion Pete Sampras by Richard Krajicek of Holland. Undeatable on grass since fellow American Todd Martin beat him in the Queen's Club final in 1994, Sampras had looked invincible ever since. But in his three winning years he had never faced a man in such compelling form.

"I ran into a player who was really hot," said Sampras. "I'm sad to have lost. Wimbledon has been very good to me and it is important to me to do well in the Grand Slam Championships. But I guess I'll just have to wait until next year."

As Krajicek proved, success in life is all about taking your chances. That is a lesson that the British No.1 Tim Henman

seems to have learned already. His thrilling progress to the quarter-finals during Wimbledon's waterlogged second week unleashed a wave of patriotic fervour not seen since Virginia Wade's victory in 1977.

In beating successively Russia's newly crowned French Open champion and No.5 seed, Yevgeny Kafelnikov, the two British wild cards - Danny Sapsford and Luke Mulligan - plus Sweden's Magnus Gustafsson, a former member of the top 10, the 21-year-old Oxford man has certainly risen to the occasion. Inevitably he has also carried on his slender young shoulders the dreams of a nation which craves success in the sport they invented some 120 years ago.

That is a daunting responsibility when you remember that Tim is only the fifth British man to have reached the quarter-finals at Wimbledon since 1946. Although Henman appears to have the necessary qualities - an impeccable ten-

nis pedigree, a balanced outlook on life, no technical weaknesses, and a burning desire to succeed - there have been others with equally impressive credentials who have failed to deliver.

Tony Mottram led the British game for 10 years after the war but reached the last eight only once, in 1948, when the American Gardner Mulloy proved too good.

Bobby Wilson, the most talented player we have produced since the days of Perry, did it four times. In 1968 the elegant Middlesex right-hander would have served for the match against Australia's top seed and eventual champion, Ashley Cooper, if he had converted the break point he held at the end of the fifth set. I can still feel the twinge of disappointment we all felt as the passing shot was just missed.

Wilson's other conquerors were Roy Emerson (1968), who became champion in 1964 and 1965 and the speedy American

Chneq McKinley (1961 and 1963), who also became the champion in the latter year.

Michael Sangster and Roger Taylor went one better than Mottram and Wilson by reaching the semi-finals. Sangster achieved the feat in 1961 when, like Wilson, he lost to McKinley, and Taylor reached the last four three times. In 1967, the last year of amateur tennis at Wimbledon, the Yorkshire left-hander lost to Germany's Wilhelm Bungert who went through to the final but lost there to the new king of the amateur game, John Newcombe.

In 1970 Tatler thrilled the centre court crowd by beating the four-time winner and defending champion Rod Lever in the fourth round and then beating Clark Graebner before losing to Ken Rosewall. Three years later Taylor went out to the eventual winner Jan Kodes in the semis.

Yet none of these men went on to become the best player in

the world. The painful truth is that ever since the game became truly international in 1919, Fred Perry, the first man to win all four of the major Championships, is the only British man to have been a world champion. Algy Kingscote, the winner of the Australian Championships in 1919, is the only other Briton to claim one of the major prizes in Australia, France, Britain and the United States. Perry's rivalry with Bunny Austin in the 1930s and their combined efforts for Britain in the Davis Cup produced a four-year period of British supremacy that excited the nation in the way that our footballers did with their World Cup win in 1966.

The curious thing is that during the same period five British women have won at Wimbledon. Kitty Godfree led the charge with her two wins (1924, 1926) and in the pre-war period Dorothy Round kept the flag flying with another two successes (1934, 1937) from

three appearances in the final. Angela Mortimer was the first of the post-war winners with that emotional win in 1961 against the heroine of the schoolgirls, Christine Truman. Incidentally, that had been the first all-British final since 1914.

In 1961 Ann Johns beat the world's two leading women, Margaret Court and Billie Jean King, to earn her moment of glory. Those were the best consecutive victories by a British woman ever at Wimbledon.

Coincidentally it was another eight years later that Virginia Wade did her thing in front of the Queen who was paying a rare visit to Wimbledon in her jubilee year. That was the only time I have heard the Wimbledon crowd break into a spontaneous chorus of "For she's a jolly good fellow."

It would be nice to think that during the next few years Tim Henman will give them the chance to recreate that happy mood, but the weight of history is against it.

Yachting

## True setting for sea gems

Keith Wheatley, yachtsman with a soul, has found his 12-metre heaven in St Tropez

Sovereign, Freedom, France II. What names these boats have. What resonance for any sailing enthusiast who has followed the history of the America's Cup, the oldest regularly contested international sporting contest in any discipline.

St Tropez last week was heaven on earth for any yachtsman with a soul. The Rolex Cup pulled together the biggest gathering of 12-metre yachts seen in European waters since the second world war. These 13 floating masterpieces were there not just for some *concours d'elegance*, but to race.

Owners who had sacrificed blood and treasure to rescue and restore these nautical

gems had the chance for once to see them in their true element; fighting on the start line, battling for room at the weather mark.

"It's just the best show on earth for me. I never had this sensation to be in a big fleet with my boat. So beautiful," said Milan-based businessman Gianni Gini, owner of Victory. His yacht was the former Victory '83, built by British entrepreneur Peter de Savary to challenge for the 1983 America's Cup.

Gini now keeps it close to his summer home on Lake Como. Yet, perhaps surprisingly, it is not the only such exotic craft on the lake. His neighbour has Italia, a virtual sister-ship to Victory, funded by the Gucci

family to challenge for the 1987 Cup held in Australia.

"For the last five years we have been match-racing each other. Maybe 10 times each summer," said Gini as he sipped a post-race espresso on the crowded quay in the Vieux Port. "It is close but Italia has the winged keel and would normally win."

Not every owner is so keen to be part of a racing scene. Elizabeth Marlin is a Swiss who lives near Lake Geneva, where there is a great deal of sailing. For the last four years she has had furniture-makers working on a complete restoration and conversion to cruising-mode of France II, the second of three boats built by the late Baron Elch to compete for

the America's Cup.

The interior is all varnished wood, comfy sofas and cosy cabins. Not all the stripped-out racing machine created by the ferociously competitive baron more than 20 years ago. "We never imagined to take France II racing, she is for our holidays," said Marlin, who conceived and supervised every inch of the interior. "But the St Tropez people phoned and phoned and said it would not be the same if France II didn't come. So here we are and it is fantastic."

Although they were, for nearly 80 years, synonymous with the America's Cup, the 12-metre class is bigger and stronger than a single trophy - however prestigious. The appeal of

a classic design is timeless and works its magic without reference to competitive glory.

However, what the Cup did for the Twelves was project a dozen or so individual boats into yachting's Hall of Fame. Public awareness of boats such as Intrepid, Freedom and the winged-keel Australia II came via countless front-pages and television sports stories.

The man-in-the-street might not have known much about sailing but the idea gradually sank in that the 12-metre was to sailboats what Jaguar had been to sports cars. And, for once, conventional wisdom got it dead right. At the dawn of the 20th century, European yachtsmen became concerned that boat shapes were becoming too diverse to allow effective racing.

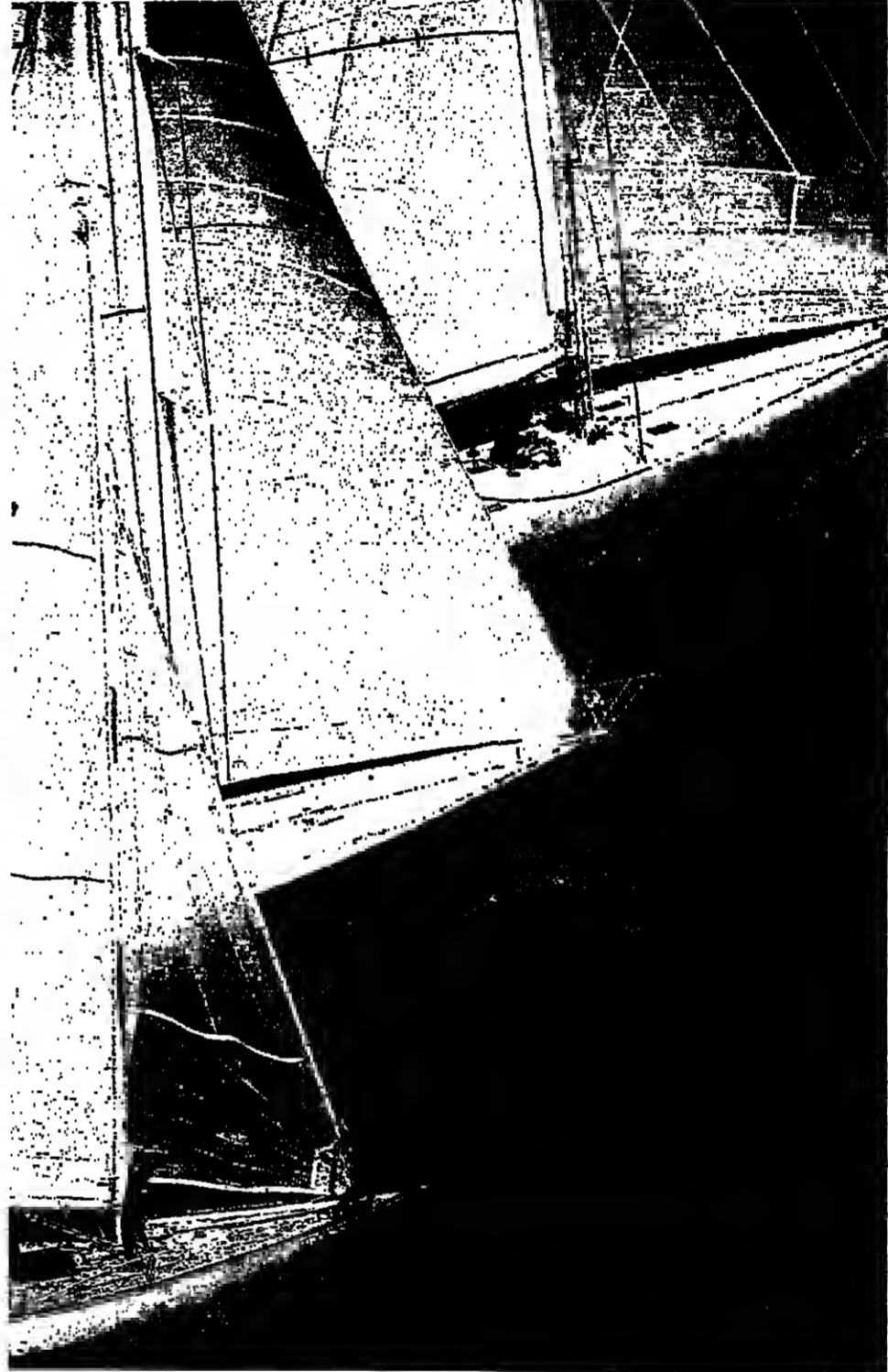
In 1906 a new international rule was proposed, encompassing French, German and British rating rules and creating a uniform style. It was essentially simple, expressed by a formula that added length, beam, girth, sail area and freeboard together in various measures, dividing the result by two to give a simple numerical value.

Designers had great freedom to play with the different parameters, as long as the resultant number came out as one of the four acknowledged classes of 6, 8, 10 or 12 metres. Although the six-metre survives as a rarefied three-man keelboat and is much loved by its small number of devotees, it was the 12-metre that really took off, as, believe it or not, an economical way for gentlemen possessing means but not fortunes to go yacht racing.

By the beginning of the second world war, more than 70 12-metres had been built. Two big British fleets existed, on the Solent and on the east coast based in Essex and Suffolk. Across the Atlantic there was a growing fleet of Newport, Rhode Island.

The New World had enthusiastically taken up this European concept and thrown American technology at it. New construction methods and radical rig and deck fittings began to appear. The US was making the running although meetings between the two rival fleets were rare.

With the end of the war



Floating masterpieces: competitors in the St Tropez Rolex Cup

came the realisation that the days of the J-class dinosaurs such as Endeavour and Ranger were over. The 12-metre was the chosen class when the America's Cup resumed in 1988. It was the beginning of the Twelves' finest hour. While four yachts from the pre-war era - Flicia II, Nyala, Vim and Tomahawk - raced at St Tropez, the most venerable of the boats with an actual Cup heritage was Columbia. In the US trials of 1968 it crushed Vim (at

20 years old, never a serious contender) and went on to win the Defence itself. Now fitted with a cruising interior, Columbia was never likely to set the Golfe de St Tropez alight.

However, the other Cup winner in the fleet, Freedom, was a different proposition. Now owned by French sailor Francois Fontes, in 1980 Freedom gave Dennis Conner his first America's Cup win and established the name of a helmsman

who would become a legend, competing in seven consecutive cups and winning four of them.

Fontes had left the pale blue, 12-metre visually unchanged since its famous Newport victory against Australia. As she danced across the Mediterranean, a huge quarter-wave curving back from her stern, it took not an ounce of imagination to be back in Rhode Island. Which is what this whole Rolex Cup was all about.

International financial news from a European perspective.



If you need to know what's moving Europe's markets, you need AFX NEWS, the real-time English language newswire that gives the latest international financial and corporate news. With the resources of owners and partners, the Financial Times Group and Agence France-Presse to draw on, you know AFX NEWS will always be relevant, reliable and right. And it's available to you on-line through

most major market data vendor systems, deliverable across your network to your PC or workstation. AFX NEWS has reporters across Europe and in other key markets feeding over 500 news stories a day direct to your system. So, for independent and succinct reporting on economic, corporate and market news, contact AFX NEWS direct or your local vendor today.

FOCUS ON FINANCIAL EUROPE A JOINT-VENTURE OF FINANCIAL TIMES GROUP AND AGENCE FRANCE-PRESSE

AFX NEWS 15-17 EPWORTH STREET, LONDON EC2A 4DL (44) 171 255 2552 FAX (44) 171 490 5007 EMAIL: AFX.SALES@FT.COM AND NEW YORK, USA (212) 641 2418

## Cotton archive goes public

Golf sales have avoided recession's bunker, writes Antony Thorncroft

When the public learned that young Henry Cotton had a chance of becoming the first Briton to win the Open for many years in 1934, the trains to the course at Sandwich were crammed and the start of the final day's play had to be delayed. Britain had a rare sporting hero.

Cotton stayed at the top for many decades and became the first modern professional golfer. He earned his money, he endorsed products; he created a golf club in Portugal. He was also the first golfer to leap the social barrier, as relaxed in the Savoy Grill as on the golf course. The inevitable knight-hood came just before his death in 1967.

Next Friday Sir Henry

becomes public property. His family is selling off his golfing archive at Sotheby's and expects to make at least £150,000. The most precious relic, the clubs that won his first Open, are missing, but his medals for winning all three of his Opens are on offer, at £20,000 each. With typical Cotton flamboyance, one became part of a gold bracelet, another part of a brooch surrounded by rubies and diamonds.

There are sets of clubs available, one created to conform to his belief that every club should be the same length. The set carries a modest £1,000 top estimate. More pricey is the miniature silver claret jug, a replica of the 1934 Open trophy, which could fetch £10,000.

There are many albums of

photographs showing Cotton touring the world with wife Toots, (whose father owned the biggest *estancia* in Argentina). But perhaps of most interest to golf maniacs is the simple tweed flat cap which Cotton inevitably wore as he stormed the fairways.

This is the time of year for golfing memorabilia to reach the pockets of the world's golfing groupies gathered for the Open. Christie's holds its golf sale on July 15, Phillips a day later. Prices for golf memorabilia have steadied since the heady days of the late 1980s when frenzied Japanese buying pushed prices into over-drive.

There is nothing this month to equal the £530,000 paid for a set of 14 clubs, each owned by an Open champion; the £97,000

for a single club, or rather for a piece of blacksmith's iron which stood in for a club around 1700; or the £22,000 for a mid-Victorian feather-stuffed golf ball.

But Sotheby's expects £20,000 for "Auld Fawkie", the long nosed putter of around 1650 which helped Willie Park to his Open win; Christie's up to £5,000 for Tony Jackson's Open winning clubs; and Phillips £10,000 for an early 19th century long spoon club. With 50m golfers spread around the world, say nothing of prestigious new golf clubs anxious to buy an immediate tradition by accumulating a golfing archive, this is one area of sporting memorabilia which has escaped the recessionary bunker.

Handwritten signature in Arabic script: محمد صالح

Vertical text on the right edge of the page, partially cut off. Includes words like "Principal", "BALTIMORE", "BERLIN", "BILBAO".





James Morgan

# An example that is not exemplary

### A dose of British medicine could improve matters in much of the continent

**S**omeone, somewhere must have said it, it has the ring of a hackneyed quotation: "The seeds of failure are sown at the moment of triumph." Maybe it was me. Anyway, it could explain why the French have suddenly realised that German reunification in 1990 was an end rather than a beginning. When that event made its singular contribution to the destruction of *Modell Deutschland*, it undermined France as well.

mean for France which was trying so hard to become German? But the questioner, the paper's former man in Bonn, believed it was also true that Germany had become too French. If Germany was in decline that was partly because Chancellor Kohl was more French than German. "Helmut Kohl is atypical. In spite of his profound attachment to his Rhenish roots, he exercises power more like French governments than in the fashion of the Federal Republic."

This was shown by his "voluntarism", by the priority given to personal loyalty in his appointments and by strategic visions founded on personal intuition and individual relations with his opposite numbers in other countries. His Christian Democratic party was nothing more than a committee for the re-election of the Chancellor.

amazed. The history of unquestioning acceptance of German social and economic superiority had come to an end and the Germans were divided. In France, the "German example" had long been a ritual incantation of politicians trying to justify their proposals to a sceptical electorate. Even opponents saw the problem in Germanic terms. French Eurosceptics call the *franc fort* policy a "social Munich" and the Maastricht treaty "the spirit of Vichy".

nothing to say to us, for the model has collapsed. Those who welcome change in Germany, meanwhile, are few but powerful, and surreptitiously look to Britain. When some months ago a poll was conducted among Germans as to which country they would like to be like, Sweden and Switzerland emerged as top nations. Few felt favourably about Britain but those who did were the very rich and the young.

long fought against). Few continental figures dare publicly say that British Tory policies are right: it would be electoral suicide for politicians. This is a shame because a bit of British medicine could improve matters in much of the continent. Blair's destiny may be to become the acceptable face of Britain, because he was not involved in any of the dirty work that has made Britain the bedtime story told by continental trade unions to frighten their children. *L'entrepreneur*, as the French call it, could yet have its day, once those who invented it have gone. James Morgan is economics correspondent for the BBC World Service.

## Private View

# From the soap-box to the suite

Emma Bonino tells Christian Tyler how she progressed from the Italian Radical party to becoming a big fish in the European Commission



Emma Bonino lit a cigarette, the first of many, and said: 'My passion is how individuals can change society'

**T**he way she tells it - frank, funny and angry by turns - Emma Bonino would not be where she is today, sitting in a big office in Brussels as a Commissioner of the European Union, but for a remark made to her by a doctor in Milan in 1975.

She was a 27-year-old school-teacher at the time, the daughter of "poor peasants" who had put herself through university with her mother's connivance. She had an engineer boyfriend who was, she recalled, "a little bit straightforward - you know, a square kind of guy - who wanted to marry me. Luckily, he didn't - I mean luckily for the two of us." She laughed.

idea. She asked to do a course not offered at Turin university so that she could study in far-off Milan and avoid coming home each night. There she became a mother's help to pay her fees, won a scholarship, and spent three years working in Ireland and the US.

While in New York to research a thesis on Malcolm X, the Black Power leader, she found a job selling shoes in Carrano's elegant boutique on Fifth Avenue. It was undemanding: the shoes came in little Italian sizes. "So unless we could find some Chinese customers we had nothing to do."

Back in Italy the trauma of her unwanted pregnancy and the subsequent abortion, carried out for her for £30,000 by a "nice" doctor in Florence, prompted her to become a volunteer in a private - and legal - family planning clinic.

In one of her first acts of civil disobedience, she moved to an abortion clinic, then illegal. She told the police what she had done, succeeded in getting prosecuted and managed to serve three weeks in jail as part of a national campaign to change the law.

He is portrayed as "the incredible sulk", whose opinions are determined not by their truthfulness or intrinsic value, but by their capacity to annoy or embarrass his successors. Lady Thatcher in particular. It is, of course, true that he was a little put out by his replacement as Conservative party leader.

left. She was five times elected to the Chamber of Deputies and twice to the European Parliament. Name a cause, and Bonino has campaigned about it: nuclear power, famine relief, human rights, divorce, drug decriminalisation, the death penalty, land mines, AIDS. If you were ungenerous you might say she was a serially single-issue politician. I asked her: Do you want to change the world or do you just have a talent for politics?

She lit a cigarette, the first of many. "Are you asking me if this is a job or a passion? It comes down to this: I don't know when I developed a real passion for politics, but my passion is how individuals can change society, notwithstanding big parties and big bureaucracy."

"No, it's exactly the right place. It's quite a privilege to be here," she added innocently. Looking around the office I could not help but agree. But where, I asked, was the radical politician now?

Bonino became serious. "I discovered that to serve your ideals you need two things: institutions, but also pressure from outside. So after 1976 I began to couple the two souls which are deeply rooted in me."

"I believe in institutions. I think they are needed. I believe in rules. I am not anarchic. You also need pressure from outside, non-violent campaigning," she continued. "Because institutions have an almost irresistible trend to become introverted. They even invent a particular language which is understandable only on the inside - like in computers, or sailing."

### You can have ideas and be a good manager. Ideas help you to be a good manager

Do you consider yourself a bureaucrat? "Oh, no. I don't consider myself a bureaucrat, though other people may. When I was in the European parliament I thought the commission was a bureaucratic job. Now I have discovered, being inside, that you really can change things. Everything here is non-partisan, but it is politics. I discovered this to my astonishment and pleasure. From a personal point of view I was not happy to be appointed here."

Bonino owed her unexpected appointment in 1986 to Silvio Berlusconi, the former Italian premier, who needed to woo the Radical party for his coalition. Colleagues in Brussels fearful of what the hot-headed Italian might get up to have been generally enthusiastic about her, describing her as exhilarating but sensible.

I asked her how she was getting on with the other commissioners. Had they discovered... "The institutional soul of Miss Bonino" she interrupted. "I made them discover my second soul." Her portfolio has three oddly-associated parts: fisheries, which she acquired almost by accident, with a budget of £800m (£1.1bn) last year; humanitarian aid (£200m); and consumer affairs (£200m).

lusconi, the former Italian premier, who needed to woo the Radical party for his coalition. Colleagues in Brussels fearful of what the hot-headed Italian might get up to have been generally enthusiastic about her, describing her as exhilarating but sensible.

I asked her how she was getting on with the other commissioners. Had they discovered... "The institutional soul of Miss Bonino" she interrupted. "I made them discover my second soul." Her portfolio has three oddly-associated parts: fisheries, which she acquired almost by accident, with a budget of £800m (£1.1bn) last year; humanitarian aid (£200m); and consumer affairs (£200m).

of the three, fisheries has given fullest rein to her undoubted talent for confrontation and plain speaking. "There's not enough fish for everybody," she said. "The fishermen have been greedy. We have to cut the fleet. We have to modernise."

But humanitarian aid is the cause closest to her heart. An incessant traveller, she came under fire on a visit to Somalia, flew into the war zone after the Bosnian Serbs captured Srebrenica, and went soon to visit the Burmese opposition leader, Aung San Suu Kyi.

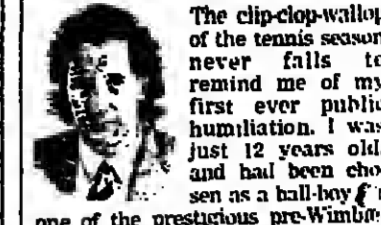
political initiative in world troublespots, that it should be seen as conscience money. For her it is the visible expression of civilised European values, a counterweight to the EU's economic obsessions. "Showing solidarity is part of the European identity," she declared. Indeed, her chief ambition seems to be to bring Brussels closer to the citizens of Europe, to convince them the EU is more than a benefit match for multinational companies and banks.

I asked her about her own ambition. Did she want another Commission portfolio? "Yes, but there is concern about his health. Bonino gave a shriek of glee and was about to answer when the young *chef de cabinet* who had been listening in the background intervened to steer his boss round the trap. "Emma very much feels the responsibility of being the first Radical to reach this position..." he intoned.

"No," she said. "You are right, Filippo. A radical can be good in government - not only screaming but also really managing. To have ideas doesn't mean that you are a visionary, that you are mad. You can have ideas and also be a good manager. Ideas help you to be a good manager."

So I tried again. How would your ideas survive if you were given the budget, or external affairs? She clapped her hands. "Good. External affairs. Fantastic. Foreign policy, that's the real thing." Would that require more realpolitik? "Sure. But I'm not Don Quixote - even if I like very much Don Quixote."

# Peter Aspden Playing for a sporting smile



The clip-clop-walloo of the tennis season never fails to remind me of my first ever public humiliation. I was just 12 years old and had been chosen as a ball-boy for one of the prestigious pre-Wimbledon warm-up tournaments. For anyone acquainted with my current fleetness of foot, this is amusing enough in itself. When I say that my first match, a centre-court debut if you will, was to assist a fresh-faced, lightning-quick newcomer to the tennis scene by the unlikely name of Evonne Goolagong, it becomes funnier still.

### The crowd waited. The umpire stared at me. A needless pause in the game

trying to catch it, I dropped the others which I had been holding. One of them hit my big toe and shot into the middle of the court. The crowd waited. The umpire stared at me. A needless pause in the game, and an anarchic ball straying across the court: his court.

Evonne - Miss Goolagong - smiled some more, and walked up to me, to talk tennis balls. But by now my sense of co-ordination had gone. She took the initiative, flicked a ball up into her hand with her racket. But it was too late to save my embarrassment. "Hurry up please, ball boy!" I still hear the phrase in my anxiety dreams. I reddened further, the crowd tittered and I vowed to give up this precocious pursuit.

Goolagong won the game, of course. She would win two Wimbledon, four Australian and a French, always smiling. I asked for her autograph, because everyone else did, and she was lovely, I, or the other hand, was traumatised. True to my vow, I never volunteered to ball-boy again; never even asked for another autograph.

Until last weekend. Last weekend I met the man whom I spent large parts of my life as a 12-year-old trying to imitate. If Evonne Goolagong was one of sport's most promising newcomers in 1970, Pelé was its undisputed master. He was famous that year for not scoring on two memorable occasions, but the near misses have gone into legend anyway, and they did not stop him from picking up the Jules Rimet trophy (still gleaming) at the end of a sparkling Mexico World Cup.

**S**ir Edward Heath was talking recently to a colleague in the House of Commons, and was lamenting the decline in the fortunes of the Conservative party. "It's really dreadful," he said. "At the next election, the same could happen here as happened in Canada, and we'll only have two members of Parliament left."

# The solid virtues of old age

### Former premier Ted Heath's 80th birthday is worth celebrating, says Philip Crowe

especially for him in Peking. He has always had a particular interest in China, long before it was either necessary or fashionable. In old China, Heath's great age and experience would have been accorded far more respect than is shown to him in England. People would bow and ask in the politest way, "What is your glorious age?"

His wisdom and experience would be valued and respected. In his home country, he is treated as a relic, long past his sell-by date. Newspaper profiles pass lightly over his achievements and make much of his failures. He is chided for "sailing on past the sunset" and for daring to comment on policies long after he should have retired.

Instead, the adversarial approach has lurched from public announcement to public row, from bans to bullying. The last desperate resort to the policy of non-co-operation has, with doublethink worthy of George Orwell, been hailed as a triumph of diplomacy.

Under Heath, such an attitude towards people who are supposed to be partners would have been not only unnecessary but inconceivable. His willingness to talk with Saddam Hussein was far more controversial. He took the view that if every evil man is to be stopped, immediate resort to war, then soldiers are going to be very busy. As one of the people involved in drawing the boundaries between Kuwait and Iraq in the 1950s, he knew more about the underlying causes of the conflict than most. During the Gulf war, I was principal of Salisbury and Wells College,

*Jalisco 1990*

WEEKEND INVESTOR

Playing for a sporting smile



Directors' share transactions in their own companies June 24-28 1996

Table with columns: Company, Sector, Shares, Value, No. of directors. Lists transactions for various companies like Alitours, Bowthorpe, British Polythene, etc.

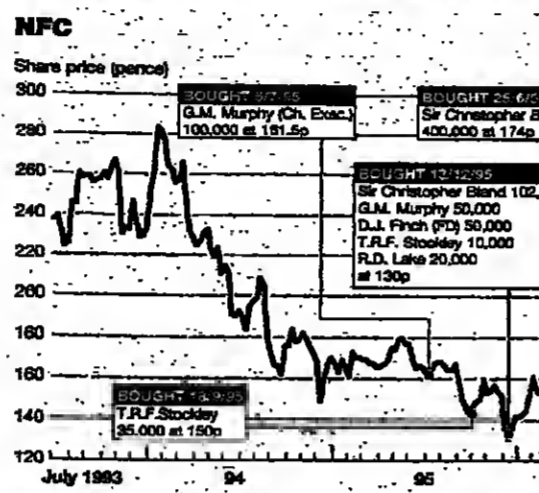
Results due next week

Table with columns: Company, Sector, Announced date, Last year, Dividend, This year. Lists companies like Bepco, Blue Group, British Bloodstock, etc.

Dividends are shown net pence per share and are adjusted for any intervening share issues. Reports and accounts are not normally available until about six weeks after the board meeting to approve preliminary results.

Directors' dealings

The month-end directors' buy/sell ratio looks set to be about 1.4:1, which is up on May when it was only 1.1:1, writes Vivien MacDonald of The Inside Track.



Last week's preliminary results

Table with columns: Company, Sector, Pre-announced, Actual, Change. Lists companies like Aberdeen Stock, Abnol New Unit, Associated Mining, etc.

Last week's interim results

Table with columns: Company, Sector, Pre-announced, Actual, Change. Lists companies like BZW Convertible, Bechtel, Cardif Property, etc.

New issues

More prominent stockbrokers this week voiced their reservations about the forthcoming flotation of British Energy, writes Christopher Price by fund managers.

In the Pink

Only the cream has it licked in the homes market

Anne Spackman finds 'average' rises in house prices hide big variations

Like many in today's property market, the owners of a large Edwardian family house have struggled to find a buyer. After nine months on the market, including a price reduction, a deal is at last going through.

It is still possible to buy a house today and lose money on it

house sales is still down on last year. Around 97,000 houses are being sold each month this year. In the boom of 1988 the figure was 175,000. Volumes are expected to remain low while inflation remains low, as house buyers have to find the costs of moving from their pockets, rather than from the profit on the sale.



WORLD INCLUSIVE.

Advertisement for Perpetual International Growth Fund and Emerging Companies Fund. Includes text about consistent performance, award-winning funds, and contact information for Customer Services.





FT MANAGED FUNDS SERVICE

Authorised and Insurances

FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (444 771) 878 4578 for more details.

Main table containing financial data for various unit trusts, including columns for fund names, managers, and performance metrics.

JAVICO 1996

o lie
E
Op
ince

OTHER UK UNIT TRUSTS

PROPERTY UNIT TRUSTS

The Swedish exchange rate
0800 626 556
SAAB beyond the conventional INSURANCES

Insurances, Money Markets and Other

FT MANAGED FUNDS SERVICE

FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 673 4378 for more details.

Main table containing various fund categories: General Pooled Exchange, Legal & General, Merchant Inventory, Old World Life, Royal Life, Scottish Provident, Sun Life, and Money Market Trust Funds. Each section lists fund names, prices, and performance metrics.

Money Market Trust Funds

Table listing Money Market Trust Funds with columns for fund name, price, and change.

Money Market Bank Accounts

Table listing Money Market Bank Accounts with columns for bank name, account type, and interest rate.

Money Market Bank Accounts (continued)

Table listing Money Market Bank Accounts (continued) with columns for bank name, account type, and interest rate.

Money Market Bank Accounts (continued)

Table listing Money Market Bank Accounts (continued) with columns for bank name, account type, and interest rate.

Money Market Bank Accounts (continued)

Table listing Money Market Bank Accounts (continued) with columns for bank name, account type, and interest rate.

Money Market Bank Accounts (continued)

Table listing Money Market Bank Accounts (continued) with columns for bank name, account type, and interest rate.

Money Market Bank Accounts (continued)

Table listing Money Market Bank Accounts (continued) with columns for bank name, account type, and interest rate.

Money Market Bank Accounts (continued)

Table listing Money Market Bank Accounts (continued) with columns for bank name, account type, and interest rate.

Money Market Bank Accounts (continued)

Table listing Money Market Bank Accounts (continued) with columns for bank name, account type, and interest rate.

Money Market Bank Accounts (continued)

Table listing Money Market Bank Accounts (continued) with columns for bank name, account type, and interest rate.

Money Market Bank Accounts (continued)

Table listing Money Market Bank Accounts (continued) with columns for bank name, account type, and interest rate.

Money Market Bank Accounts (continued)

Table listing Money Market Bank Accounts (continued) with columns for bank name, account type, and interest rate.

NOTES: © Copyright 1996 by FT. All rights reserved. Reproduction in whole or in part without permission is prohibited.

JAVICO LTD



Offshore Funds and Insurances

FT Cityline Unit Prices are available over the telephone. Call the FT Cityline Help Desk on (44 171) 673 4378 for more details.

FT MANAGED FUNDS SERVICE

Main table containing fund names, descriptions, and unit prices. Includes sections for Luxembourg (SIB Recognised), Luxembourg (Not SIB Recognised), and various international funds.

OFFSHORE INSURANCES

Table listing offshore insurance companies and their services, including AXA, Allianz, and others.

JALISCO 1350

OTHER OFFSHORE FUNDS

FT MANAGED FUNDS SERVICE

Offshore Insurances and Other Funds

FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4976 for more details.

Main table of fund prices with columns for Fund Name, Price, and Change. Includes sections for FT Cityline Unit Trusts, FT Cityline International Funds, FT Cityline UK Funds, FT Cityline US Funds, FT Cityline European Funds, FT Cityline Asian Funds, FT Cityline Global Funds, FT Cityline Special Funds, FT Cityline Other Funds, FT Cityline Offshore Funds, FT Cityline Insurance Funds, FT Cityline Other Funds, FT Cityline Insurance Funds, FT Cityline Other Funds.

ENBC Demand currency changes immediately. Five years of global business. ENBC logo and text.

OTHER OFFSHORE FUNDS

Table listing various offshore funds with their names and prices.

MANAGED FUNDS NOTES: Information regarding fund management, including details on the FT Cityline Managed Funds Service and the FT Cityline Help Desk.

WORLD STOCK MARKETS

NORTH AMERICA  
UNITED STATES (Jul 5/US\$)  
(In close)

Table of North America stock market data including United States, Canada, and Mexico. Columns include stock names, prices, and changes.

EUROPE  
Austria (Jul 5/S\$)

Table of European stock market data including Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, Korea, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, Taiwan, Thailand, United Kingdom, and USA.

ASIA (Jul 5/S\$)

Table of Asian stock market data including Hong Kong, Singapore, and Taipei.

AFRICA  
South Africa (Jul 5/Rand)

Table of African stock market data including South Africa.

Australia (Jul 5/A\$)

Table of Australian stock market data.

INDICES

Table of various stock indices with columns for index name, current value, and change.

US INDICES

Table of US stock indices including Dow Jones, S & P 500, etc.

TRADING ACTIVITY

Table of trading activity for various markets.

WORLD STOCK MARKET

Table of world stock market data.

INDEX FUTURES

Table of index futures data.

COMMODITIES

Table of commodity prices.

EXCHANGE RATES

Table of exchange rates for various currencies.

COMMODITIES

Table of commodity prices.

Advertisement for Rockwell: 'In the world of automotive component systems, Rockwell is world class. Rockwell' with logo.

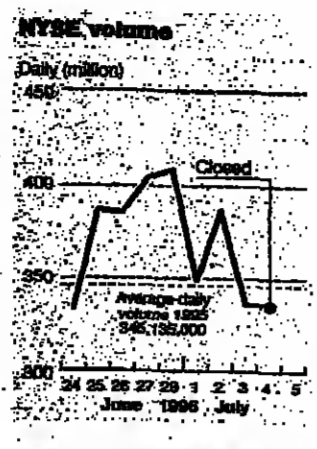
Handwritten signature 'John Lee'.

WORLD STOCK MARKETS

AMERICA

New rate worries leave Dow tumbling

Worries about inflationary pressures and higher interest rates sent US share prices tumbling in a half day session on the heels of the Independence Day holiday, writes Lisa Brannen in New York.



technology index falling 1.9 per cent. Both the bond and equity markets were disturbed by the Labor Department's data showing that 239,000 non-farm jobs were created in June, and that hourly wages rose 0.8 per cent, the largest monthly increase on record.

to swap some assets. Latin America Wall Street pushed MEXICO CITY lower, the IPC index losing 42.72 or 1.3 per cent to 3,352.16 at mid-session. SAO PAULO finally ran into profit-taking, having resisted selling pressure since the start of the week, and the Bovespa index lost 787.73 to 63,533 by early afternoon.

New Zealand crippled by rates competition

But there are glimmers of hope, writes Terry Hall

The New Zealand stock market has been crippled by competing high real interest rates, as the Reserve Bank tacks inflation and growing political uncertainties ahead of the October general election.

proportional voting system, MMP. New Zealand First, a new political grouping which has around 28 per cent support in opinion polls, has pledged to restrain foreign investment.

has made the company unduly complex, and interconnected funding arrangements with the parent, Fletcher Challenge, are seen as a barrier to takeover.

EUROPE

Bourses turn lower after US jobs data

One or two early-closing markets hit new highs, ISTANBUL and BUDAPEST among them, but the US jobs figures put a stop to all that.

SMI index down 40.1 at 3,731.2 after posting consecutive all-time highs in the previous three sessions. Nestlé, sharply higher on speculative demand on Thursday, finished Sfr9 lower at Sfr1,489, off a mid-session high of Sfr1,490.

FFr5.29bn. French analysts said that a US interest rate increase could now be expected before the end of August, and that French equities could fall further on this account, perhaps to below the 2,000 level.

20.7 weaker at 1,985.3. Astra began the day on a positive note but became one of the hardest hit stocks, closing SKR4.50 lower at SKR274.50 after a dismal week.

Among blue chips, Thyssen, up DM6.80 at DM293.50, and BMW, DM12 higher at DM985, retained a good slice of the gains registered earlier in the day.

pressured by some investors who wanted the price below Sfr1,250, the strike price of a warrant which expires later this month.

STOCKHOLM joined the downturn, and the Affärsvärden General index finished

declined Y20 to Y1,220 and Kanametsu, the trading company, retreated V7 to Y32.

Aggressive moves by the Reserve Bank to meet its obligations to restrain inflation to the nil to two per cent range have been the biggest problem facing equities.

Over recent months, Mr Don Brash, has switched his attention to the domestic economy. High mortgage costs have seen severe falls in prices for farms and for some homes, and led to downward profit expectations for retailers and manufacturers tied to the domestic market.

High domestic interest rates have been especially damaging to Telecom, the country's biggest company, and have led to extreme volatility in its share price. Telecom traded as high as NZ\$6.87 earlier this year, but last month fell to NZ\$5.65.

The decision by Fletcher Challenge to have off its operations into separately quoted, and focused groups, Paper, Building, Energy and Forestry, has had a lukewarm public response. Institutional investors say that the change

ASIA PACIFIC

Jakarta drops 2.3% on Suharto concern

Concerns over President Suharto's health took JAKARTA on an intra-day low of 572.44 before it closed 33.56, or 2.3 per cent, down at 576.05.

declined Y20 to Y1,220 and Kanametsu, the trading company, retreated V7 to Y32.

declined Y20 to Y1,220 and Kanametsu, the trading company, retreated V7 to Y32.

HONG KONG took profits but late, renewed demand dragged most of the losses. The Hang Seng index, down nearly 300 points at one stage, closed 4.88 weaker at 11,177.13.

Profit-taking offset active buying of high-technology and car stocks by US brokers, and the Nikkei average lost more ground, writes Eriko Terazono in Tokyo.

Speculative trading on profit taking, the titanium bare Saneyo, the titanium oxide maker, was the most active issue of the day, falling Y6 to Y454.

declined Y20 to Y1,220 and Kanametsu, the trading company, retreated V7 to Y32.

declined Y20 to Y1,220 and Kanametsu, the trading company, retreated V7 to Y32.

FT/S&P ACTUARIES WORLD INDICES

Table with multiple columns showing various world indices (ASIA, EUROPE, AMERICA, etc.) with columns for indices, % change, and other metrics.

LONDON EQUITIES

LIFE EQUITY OPTIONS

Table containing life equity options and a list of companies with their share prices and changes.

RISES AND FALLS

Table showing rises and falls for various equities and indices.

FT GOLD MINES INDEX

Table for FT Gold Mines Index with columns for gold price, index value, and other metrics.

FINANCIAL TIMES EQUITY INDICES

Table for Financial Times Equity Indices showing various indices and their performance.

Table for FT Gold Mines Index with columns for gold price, index value, and other metrics.

Handwritten signature or note at the top of the page.

LONDON STOCK EXCHANGE: Dealings

Details of business done shown below have been taken with consent from the London Stock Exchange Official List and should not be reproduced without permission.

Unless otherwise indicated prices are in pence. The prices are those at which the business was done in the 24 hours up to 5 pm on Thursday and are subject to the Stock Exchange's usual conditions, they are not in order of execution but in ascending order which denotes the day's highest and lowest dealings.

For those securities in which no business was recorded in Thursday's Official List the latest recorded business in the four previous days is given with the relevant date.

† Bargains at special prices. ‡ Bargains due the previous day.

British Funds, etc

Trustee 134 1/2 2000 - 112 1/2 (July 6)
Equipeur 10 1/2 2000 - 117 1/2 (July 6)

Corporate and Country Stocks

London County 2 1/2 2000 - 180 1/2 (July 6)
Birmingham District Council 1 1/2 2000 - 104 1/2 (July 6)

Foreign Stocks, Bonds, etc

Abney National Treasury Capital PLC 2000 - 101 1/2 (July 6)
Abney National Treasury Capital PLC 2000 - 101 1/2 (July 6)

Other Stocks

Barclays Bank PLC 7 1/2 2000 - 125 1/2 (July 6)
Barclays Bank PLC 7 1/2 2000 - 125 1/2 (July 6)

Other Stocks

Barclays Bank PLC 7 1/2 2000 - 125 1/2 (July 6)
Barclays Bank PLC 7 1/2 2000 - 125 1/2 (July 6)

Other Stocks

Barclays Bank PLC 7 1/2 2000 - 125 1/2 (July 6)
Barclays Bank PLC 7 1/2 2000 - 125 1/2 (July 6)

Other Stocks

Barclays Bank PLC 7 1/2 2000 - 125 1/2 (July 6)
Barclays Bank PLC 7 1/2 2000 - 125 1/2 (July 6)

Other Stocks

Barclays Bank PLC 7 1/2 2000 - 125 1/2 (July 6)
Barclays Bank PLC 7 1/2 2000 - 125 1/2 (July 6)

Other Stocks

Barclays Bank PLC 7 1/2 2000 - 125 1/2 (July 6)
Barclays Bank PLC 7 1/2 2000 - 125 1/2 (July 6)

Other Stocks

Barclays Bank PLC 7 1/2 2000 - 125 1/2 (July 6)
Barclays Bank PLC 7 1/2 2000 - 125 1/2 (July 6)

Other Stocks

Barclays Bank PLC 7 1/2 2000 - 125 1/2 (July 6)
Barclays Bank PLC 7 1/2 2000 - 125 1/2 (July 6)

Other Stocks

Barclays Bank PLC 7 1/2 2000 - 125 1/2 (July 6)
Barclays Bank PLC 7 1/2 2000 - 125 1/2 (July 6)

Other Stocks

Barclays Bank PLC 7 1/2 2000 - 125 1/2 (July 6)
Barclays Bank PLC 7 1/2 2000 - 125 1/2 (July 6)

Other Stocks

Barclays Bank PLC 7 1/2 2000 - 125 1/2 (July 6)
Barclays Bank PLC 7 1/2 2000 - 125 1/2 (July 6)

Other Stocks

Barclays Bank PLC 7 1/2 2000 - 125 1/2 (July 6)
Barclays Bank PLC 7 1/2 2000 - 125 1/2 (July 6)

Other Stocks

Barclays Bank PLC 7 1/2 2000 - 125 1/2 (July 6)
Barclays Bank PLC 7 1/2 2000 - 125 1/2 (July 6)

Other Stocks

Barclays Bank PLC 7 1/2 2000 - 125 1/2 (July 6)
Barclays Bank PLC 7 1/2 2000 - 125 1/2 (July 6)

Other Stocks

Barclays Bank PLC 7 1/2 2000 - 125 1/2 (July 6)
Barclays Bank PLC 7 1/2 2000 - 125 1/2 (July 6)

Other Stocks

Barclays Bank PLC 7 1/2 2000 - 125 1/2 (July 6)
Barclays Bank PLC 7 1/2 2000 - 125 1/2 (July 6)

Other Stocks

Barclays Bank PLC 7 1/2 2000 - 125 1/2 (July 6)
Barclays Bank PLC 7 1/2 2000 - 125 1/2 (July 6)

Other Stocks

Barclays Bank PLC 7 1/2 2000 - 125 1/2 (July 6)
Barclays Bank PLC 7 1/2 2000 - 125 1/2 (July 6)

Other Stocks

Barclays Bank PLC 7 1/2 2000 - 125 1/2 (July 6)
Barclays Bank PLC 7 1/2 2000 - 125 1/2 (July 6)

Other Stocks

Barclays Bank PLC 7 1/2 2000 - 125 1/2 (July 6)
Barclays Bank PLC 7 1/2 2000 - 125 1/2 (July 6)

Other Stocks

Barclays Bank PLC 7 1/2 2000 - 125 1/2 (July 6)
Barclays Bank PLC 7 1/2 2000 - 125 1/2 (July 6)

Other Stocks

Barclays Bank PLC 7 1/2 2000 - 125 1/2 (July 6)
Barclays Bank PLC 7 1/2 2000 - 125 1/2 (July 6)

Other Stocks

Barclays Bank PLC 7 1/2 2000 - 125 1/2 (July 6)
Barclays Bank PLC 7 1/2 2000 - 125 1/2 (July 6)

Other Stocks

Barclays Bank PLC 7 1/2 2000 - 125 1/2 (July 6)
Barclays Bank PLC 7 1/2 2000 - 125 1/2 (July 6)

Other Stocks

Barclays Bank PLC 7 1/2 2000 - 125 1/2 (July 6)
Barclays Bank PLC 7 1/2 2000 - 125 1/2 (July 6)

Other Stocks

Barclays Bank PLC 7 1/2 2000 - 125 1/2 (July 6)
Barclays Bank PLC 7 1/2 2000 - 125 1/2 (July 6)

Other Stocks

Barclays Bank PLC 7 1/2 2000 - 125 1/2 (July 6)
Barclays Bank PLC 7 1/2 2000 - 125 1/2 (July 6)

Other Stocks

Barclays Bank PLC 7 1/2 2000 - 125 1/2 (July 6)
Barclays Bank PLC 7 1/2 2000 - 125 1/2 (July 6)

Other Stocks

Barclays Bank PLC 7 1/2 2000 - 125 1/2 (July 6)
Barclays Bank PLC 7 1/2 2000 - 125 1/2 (July 6)

Other Stocks

Barclays Bank PLC 7 1/2 2000 - 125 1/2 (July 6)
Barclays Bank PLC 7 1/2 2000 - 125 1/2 (July 6)

Other Stocks

Barclays Bank PLC 7 1/2 2000 - 125 1/2 (July 6)
Barclays Bank PLC 7 1/2 2000 - 125 1/2 (July 6)

Other Stocks

Barclays Bank PLC 7 1/2 2000 - 125 1/2 (July 6)
Barclays Bank PLC 7 1/2 2000 - 125 1/2 (July 6)

Other Stocks

Barclays Bank PLC 7 1/2 2000 - 125 1/2 (July 6)
Barclays Bank PLC 7 1/2 2000 - 125 1/2 (July 6)

FT-SE ACTUARIES INDICES
The FT-SE Actuaries Share Indices are calculated by FT-SE International Limited in conjunction with the Faculty of Actuaries and the Institute of Actuaries.

The Top Opportunities Section
For senior management positions.
Will Thomas
+44 0171 873 3779

APPOINTMENTS ADVERTISING
Appears in the UK edition every Wednesday & Thursday and in the International edition every Friday.
For information on advertising in this section please call:
Andrew Skarzynski on +44 0171 873 4054

Jobs
Hourly movements
FT-SE Actuaries



LONDON STOCK EXCHANGE

MARKET REPORT

US jobs news triggers big sell-off in UK stocks

By Steve Thompson, UK Stock Market Editor

A UK equity market basking in the warm glow of a recovering FT-SE 100...

The action in the FT-SE 100 was much more subdued. The index closed just 3.9 off at 4,367.2...

built on Thursday's big recovery in confidence in the FT-SE 100 futures, promptly went into a sharp reverse...

Market observers warned that the latest jobs expansion, and the announcement that the Reserve Bank would increase US interest rates...

But Mr Tim Brown, UK strategist at UBS, adopted an optimistic view of the London market...

FT-SE 100 Index: Closing index for Jul 5, Change over week, Jul 4, Jul 3, Jul 2, Jul 1, High, Low, etc.

TRADING VOLUME IN MAJOR STOCKS

Table with columns: Ticker, Vol, Closing Price, % Change, etc. Includes ASX, ABB, AEG, etc.

EQUITY FUTURES AND OPTIONS TRADING

Table with columns: Instrument, Price, Change, etc. Includes FT-SE 100 Index Futures, FT-SE 100 Index Options, etc.

Pearl deal lifts life stocks

Life insurance companies, which tend to react in line with big market moves, ignored the sharp turnaround in London and the big slide on Wall Street...

Chief price changes

Table listing price changes for various companies like Bank Scotland, Balmuccia, etc.

NEW 52 WEEK HIGHS AND LOWS

Table listing 52-week high and low prices for various companies.

FT-SE Actuaries Share Indices

Table showing share indices for various sectors like FT-SE 100, FT-SE 250, etc.

The UK Series

Table showing UK economic indicators like GNP, Retail Sales, etc.

Redland lifts builders

Building materials stocks with German exposure, particularly following positive news from Pilkington...

Orange ends as worst performing

Orange ended as the worst performing FTSE stock, sliding 5 to 207/4 for a five-day decline...

New high for Zeneca

Zeneca hit a new closing peak. The rise of 23 to 1,454/4 on turnover of 3.5m...

British Foods

Associated British Foods rose 5/4 to 408/4 on reports of a squeeze after a few weak ketmakers went short...

THE FRAUD REPORT

Do you know how much money your company is needlessly throwing away each day? It could be more than the profit you are making.

The Fraud Report, a monthly newsletter from FT Financial Publishing, is the only regular briefing which enables you to ensure that best practices are put in place to minimise fraud in your organisation.

Hourly movements

Table showing hourly price movements for FT-SE 100, FT-SE 250, etc.

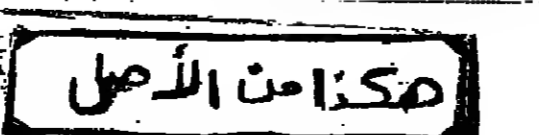
FT-SE Actuaries 350 Industry baskets

Table showing industry baskets for various sectors like Edg & Cheron, etc.

THE ALL ENGLAND LAWN TENNIS GROUND plc ("Company")

Set out below are the prices and dates of the three most recent transactions in the Company...

FT Financial Publishing logo and contact information.





LONDON SHARE SERVICE

DIV TRUSTS SPLIT CAPITAL - Cont.

Table listing various Dividend Trusts with columns for Name, Price, and Dividend Yield.

LEISURE & HOTELS - Cont.

Table listing Leisure & Hotels companies with columns for Name, Price, and Dividend Yield.

OTHER FINANCIAL - Cont.

Table listing Other Financial companies with columns for Name, Price, and Dividend Yield.

PROPERTY - Cont.

Table listing Property companies with columns for Name, Price, and Dividend Yield.

SUPPORT SERVICES - Cont.

Table listing Support Services companies with columns for Name, Price, and Dividend Yield.

AIM - Cont.

Table listing AIM companies with columns for Name, Price, and Dividend Yield.

OTHER INVESTMENT TRUSTS

Table listing Other Investment Trusts with columns for Name, Price, and Dividend Yield.

OIL EXPLORATION & PRODUCTION

Table listing Oil Exploration & Production companies with columns for Name, Price, and Dividend Yield.

INVESTMENT COMPANIES

Table listing Investment Companies with columns for Name, Price, and Dividend Yield.

OIL, INTEGRATED

Table listing Oil, Integrated companies with columns for Name, Price, and Dividend Yield.

OTHER FINANCIAL

Table listing Other Financial companies with columns for Name, Price, and Dividend Yield.

LEISURE & HOTELS

Table listing Leisure & Hotels companies with columns for Name, Price, and Dividend Yield.

PAPER, PACKAGING & PRINTING

Table listing Paper, Packaging & Printing companies with columns for Name, Price, and Dividend Yield.

PHARMACEUTICALS

Table listing Pharmaceuticals companies with columns for Name, Price, and Dividend Yield.

RETAILERS, FOOD

Table listing Retailers, Food companies with columns for Name, Price, and Dividend Yield.

RETAILERS, GENERAL

Table listing Retailers, General companies with columns for Name, Price, and Dividend Yield.

TELECOMMUNICATIONS

Table listing Telecommunications companies with columns for Name, Price, and Dividend Yield.

TEXTILES & APPAREL

Table listing Textiles & Apparel companies with columns for Name, Price, and Dividend Yield.

TOBACCO

Table listing Tobacco companies with columns for Name, Price, and Dividend Yield.

TRANSPORT

Table listing Transport companies with columns for Name, Price, and Dividend Yield.

WATER

Table listing Water companies with columns for Name, Price, and Dividend Yield.

RETAILERS, GENERAL - Cont.

Table listing Retailers, General companies with columns for Name, Price, and Dividend Yield.

SUPPORT SERVICES

Table listing Support Services companies with columns for Name, Price, and Dividend Yield.

AIM

Table listing AIM companies with columns for Name, Price, and Dividend Yield.

Advertisement for Sharelink, featuring the text 'Indefinitely', '0121 200 2242', and 'SHARELINK Helping investors help themselves.'

AMERICANS

Table listing American companies with columns for Name, Price, and Dividend Yield.

CANADIANS

Table listing Canadian companies with columns for Name, Price, and Dividend Yield.

SOUTH AFRICANS

Table listing South African companies with columns for Name, Price, and Dividend Yield.

GUIDE TO LONDON SHARE SERVICE

Guide to London Share Service: Prices for the London Share Service delivered by FT... Includes instructions on how to use the service and contact information.

**OPTIONS DIRECT**  
 YOUR DIRECT WAY TO TRADE THE FINANCIAL MARKETS  
 Options are highly speculative and, in certain circumstances, may be considered to be a form of gambling.  
 Telephone 0171 638 0100  
 Member of the SFA

# FINANCIAL TIMES

Weekend July 6/July 7 1996

**LEGAL DEFINITIONS**  
 share is a... popular outcome of...  
 Row & Maw  
 LAWYERS FOR BUSINESS

## Indonesian markets hit by Suharto health fears

By Manuela Saragosa in Jakarta

Official confirmation that Indonesia's President Suharto will fly to Europe tomorrow for a medical check-up caused Indonesian shares to fall sharply. The Indonesian rupiah also continued to tumble against the dollar amid concerns about the 75-year-old president's health. Indonesia's secretary of state, Mr Mardiono, said President Suharto had heart, liver and kidney problems. Mr Suharto was last treated in hospital in August 1994 for kidney stone problems. "The president has a routine medical check-up every six months," Mr Mardiono said yesterday, stressing that Mr Suharto was in good health. But this was not enough to calm a nervous stock market, which fell 23 per cent to close at 575.049 points. Shares related to the presidential family were among the worst hit, with Buntara Citra, a holding company controlled by Mr Suharto's second son Mr Bambang Trihatmodjo, closing down 5.5 per cent at Rp2,550. The toll road company 39 per

speculation. Matters were not helped by Mr Mardiono saying that the president might be accompanied by some of his sons and daughters. Agency reports earlier this week quoted presidential palace sources and people close to cabinet members saying Mr Suharto had heart, liver and kidney problems. Mr Suharto was last treated in hospital in August 1994 for kidney stone problems. "The president has a routine medical check-up every six months," Mr Mardiono said yesterday, stressing that Mr Suharto was in good health. But this was not enough to calm a nervous stock market, which fell 23 per cent to close at 575.049 points. Shares related to the presidential family were among the worst hit, with Buntara Citra, a holding company controlled by Mr Suharto's second son Mr Bambang Trihatmodjo, closing down 5.5 per cent at Rp2,550. The toll road company 39 per

cent owned by members of the presidential family, Citra Marga Nusaphala Persada, ended more than 3 per cent down at Rp3,435. The rupiah, which tumbled on rumours surrounding the president's health on Thursday, was trading at Rp2,243 against the dollar late yesterday compared with a rate of Rp2,326 midweek. Some diplomats and political analysts expressed surprise that Mr Suharto intended to leave Indonesia at a time when there has been political turmoil. Last month Jakarta was the scene of some of the worst rioting of recent years. The market's reaction to speculation surrounding Mr Suharto's health is another reminder of sensitivities surrounding the succession issue. Mr Suharto is widely expected to run for a seventh term at the presidential polls in 1998.

World stocks, Page 19

## Escom in German inquiries on insider dealing

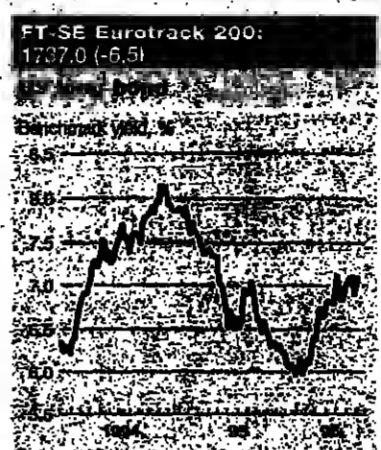
By Michael Lindemann in Bonn

The German authorities have started a probe into possible insider trading of shares in Escom, the computer retailer. The watchdog agency overseeing the German stock exchange yesterday said it had begun investigations. This week the company filed for protection from creditors. Most of Escom's equity is held by a number of well-known German companies, including Quelle, the mail-order group which directly and indirectly holds 33 per cent. Siemens Nixdorf, the computer maker, holds a further 12.5 per cent and an investment management arm of Bayerische Vereinsbank holds 15 per cent. Mr Manfred Schmitt, the founder and former chief executive, held 22.87 per cent of Escom's equity the last time details of shareholdings were given in March. About 16.5 per cent is spread among an unspecified number of private investors. Escom declined to comment on the investigations and Mr Schmitt could not be reached. The federal supervisory office for securities trading declined to give any names. Since the beginning of May, the number of Escom shares being traded had risen up to nine times above the previous average trading volumes, said Mr Jürgen Oberfrank, a spokesman for the Frankfurt-based agency. Last week the agency had formally decided to investigate the unusual Escom trading volumes and was now assembling information about when exactly what trades had been made. The Escom investigation comes at a time when shareholders are becoming increasingly angry about the way German-listed companies manage their information. Most recently, reports about first-half losses at Lufthansa, the national carrier, were leaked widely in newspapers, causing the share price to slide. Escom, one of Europe's leading computer retailers, applied for a so-called *Verpleich* - similar to Chapter 11 proceedings in the US - on Wednesday after shareholders had refused to supply further funds to cover unexpectedly high losses. The group said an administrator was in talks with the management board all day yesterday and that a decision was expected in coming weeks about whether a *Verpleich* was viable or whether Escom would have to declare bankruptcy. A *Verpleich* is only possible if the company has sufficient funds to cover running expenses such as wages and if it can repay 35 per cent of its debts within 12 months. This week Escom said losses were about DM180m.

## THE LEX COLUMN

# Rising interest

The US Federal Reserve shirked raising interest rates earlier this week. But, following yesterday's strong employment data, an increase in rates next month - if not before - looks almost inevitable. It is not merely that non-farm payrolls, the bugbear of previous months, again rose faster than expected: hourly earnings increased sharply, as did the average length of the working week. Though such evidence of a tighter labour market probably does not signal imminent inflationary danger, the Fed would be foolish to risk it. Financial markets are understandably jittery at the prospect of a turn in the US interest rate cycle. After all, the last turn in the cycle in early 1994 prompted a collapse in bond markets: the yield on the long bond rose two percentage points before the year was out. But will markets be as traumatic this time round? Probably not. For a start, a tightening in US monetary policy has already been substantially discounted whereas in 1994 it was a shock; the long bond yield has already risen one percentage point this year. Moreover, if the Fed does act soon, it will be nipping inflationary pressures in the bud. The worries back in 1994 that the Fed was "behind the curve" will probably not materialise.



purchase of Premier League rights will eventually add £5m to Manchester United's annual profits. Clubs have also realised the potential profitability of merchandising sales. Moreover, a European court ruling has made it much cheaper to bring in foreign players whose contracts expire. But it is going to be a game of two halves for investors. The key to expanding profitability will be play in an increasingly profitable European competition, and having a sufficiently strong franchise to plug into pay-per-view television. Clubs like Manchester, Newcastle and even Leeds look well placed to use income from the existing base of fans to bring in the new players to ensure they can enter this extraordinarily profitable phase for the game. For the losers, however, there is just the prospect of a rapidly rising wage bill.

### Windfall tax

With characteristic gusto, the British chancellor has belatedly started laying into Labour's planned utility windfall tax. He makes some powerful points. But he also goes too far: whatever he may claim, the tax is sadly not unworkable. In essence, Mr Kenneth Clarke's complaint is that the tax will be unfair. Certainly it is bound to penalise the wrong people: by the time the prospect of the tax started hitting share prices, many shareholders who benefited from early windfall gains had doubtless sold out. Moreover, because the aims of the tax are muddled, the choice of victims is bound to be arbitrary. Tax legislation cannot target individual companies, so it will have to work according to crude general rules of thumb. And since "windfall profits" is a vague concept, the result is bound to be unsatisfactory. Mr Clarke could also have made a more fundamental point. Whatever the past rights and wrongs of British privatisations, retrospective taxation of today's shareholders is not the right answer. The better solution is to get current regulation right with regulators such as Ms Clare Spottiswoode who needs a windfall tax?

### UK football

Football has come home and it seems to have acquired a pinstriped suit along the way. In the week since the Euro '96 final, Leeds United and Newcastle United have trodden the path towards stock market listings, while media tycoon Mr Chris Wright hopes to float a sporting conglomerate formed from the ashes of QPR. And when Europe's football stars sign up to play in wind-swept Tossiedo, it is clear there has been a dramatic change in the footballing climate. Several factors have propelled listed football clubs' shares, encouraging these newcomers. Football clubs used to be cheap because they were not considered investment grade businesses. But satellite television has introduced stratospheric inflation for football's TV rights. BSkyB's recent

Using its recently returned footballers to help promote the euro is one of the better wheezes the German government has come up with to persuade the German public to swap their treasured D-Marks for the planned single European currency. But the rest of Bonn's DM15m (93.8m) publicity campaign, which includes pamphlets on aircraft and information packs in schools, is unlikely to have the desired impact. The euro's unpopularity - 50-60 per cent of Germans fall opinion pollsters they would rather keep the D-Mark - is based largely on lack of information. And most people are simply not going to read a 71-page booklet to find out more, even if it has pictures in it. In the end, that will probably not matter. Public opinion in Germany is relatively docile and there is no dan-

**BLOOD. SWEAT. TEARS.**  
 (IF YOU'RE STILL INTERESTED GIVE US A CALL)  
 ... and know how to back...  
 ... We've already completed...  
 ... such transactions. With your...  
 ... investment we look forward...  
 ... getting one with you.  
**PICTURES**  
 ...  
 ...  
 ...

## Shell struggles to pour oil on troubled drilling waters

Sullen youths in the village of Omadino in Nigeria's Delta state listened in silence as a representative of Shell, the Anglo-Dutch oil group, outlined plans to build a health clinic for the people on whose land it has been producing oil for more than two decades. But their anger soon broke through and they began barracking the Shell speaker. Such spending was too little too late, they shouted. One of their number neatly sidestepped a Shell community liaison officer to shove a list of grievances and demands towards Mr Steve Ollereau. Shell's senior manager for the western Delta, where nearly a quarter of Nigeria's total daily oil output of 2m barrels is produced. Public relations problems seem to dog Shell, whose reputation was sullied last year by the row over its plans for the deep-sea disposal of the Brent Spar oil platform and international criticism that it failed to do enough to stop the execution in Nigeria of human rights activist Ken Saro-Wiwa and eight others. On Thursday it took a small party of journalists to see how company funds were improving the lot of people living in this one village in the vast Niger Delta, the centre of its controversial oil operations in Nigeria. But what

Robert Corzine in the Niger Delta studies an effort to win the trust of a sceptical community was intended as a brief exchange of pleasantries with the village elders backed, and social critics soon deteriorated into a series of bitter broadsides directed against the company's role in the area. "The village chief and elders, resplendent in headgear ranging from bowler hats to straw boaters and armed with furred umbrellas as symbols of their authority, remained formal and correct throughout the increasingly chaotic encounter. But their comments were no less critical than those made by the seething young men. Shell's treatment of the community over the past 27 years had left the 3,000 or so villagers in a state of "depression, neglect and poverty", said Mr Napoleon Agbedeto, an elderly Middle Temple barrister from London who recently returned to Nigeria to run a local lobbying group.

From the safety of a departing boat, Mr Ollereau noted that Omadino was one of the friendlier villages in the region. "You can imagine what the angry ones are like," he added. Such encounters contain more than an element of histrionics, and many locals admit pri-

vately that criticising Shell is one of the few ways of gaining the attention of Nigeria's military rulers in Abuja, the distant federal capital. Anger often expresses itself in "community disturbances", a company term encompassing offences from hostage-taking to pipeline sabotage, the blocking of roads and the occupation by local residents of oil exploration and production facilities. Shell reported 59 such incidents in the first half of the year compared with a total of 64 in 1995. These included the seizure last month of a drilling rig, which was occupied by residents of a nearby village for two days. Such disruptions are costly, but Shell officials say that lost oil production as a result of the actions has fallen, with a total of 1.78m barrels lost in the first half of 1996, against a total of 5.68m barrels last year. Community officials predict more dialogue and higher social spending by Shell should improve relations. Meanwhile, visitors to the "swamp rigs" that drill for oil in the Delta are still told how to distinguish between a fire alarm and one warning of the impending danger of the vessel being boarded and seized.

## Bonn takes Emu message into the skies

Continued from Page 1

euro information into their music programmes. This burst of activity will eclipse the large government information campaign that smoothed the path of German

unification six years ago. And no wonder, because when they give up the D-Mark the German people will be giving up more than a currency. The D-Mark is a national symbol of Germany's post second world war success. Mr Kohl is

fond of recounting how it predated the national flag, the national anthem and the foundation of the federal republic. But the chancellor is adamant that the D-Mark must go in the interests of building the "European house".

**FT WEATHER GUIDE**

**Europe today**  
 It will be mainly wet in Scotland, although southern Scotland will have some sunshine. England will have showers with a few sunny spells. Showers are also likely to develop in Ireland. The British Isles will have moderate north-westerly winds. More rain is expected in the Baltic states, Poland and Germany. Showers are expected in the Benelux and the Alps. There will be thunderstorms, severe at times, in Poland and the Balkans, in southern Spain, Italy, Greece and Turkey. It will be dry and sunny. There will also be plenty of sunshine in north Africa with temperatures exceeding 40C in Algeria.

**Five-day forecast**  
 It will continue to be somewhat cloudy with showers and cool air across the British Isles. Scandinavia and over most of central and eastern Europe. It will be changeable in the Benelux. It will be wet in the Alps and in Sweden. A high pressure area will build over the eastern Atlantic, providing sunny skies in most of France and Spain. Sunshine and warm air will prevail in the Mediterranean. Temperatures may exceed 40C in Bulgaria and Greece during the weekend.

**TODAY'S TEMPERATURES**  
 Station at 12 GMT. Temperatures maximum for day. Forecasts by Meteo Consult of the Netherlands.

Maastricht	fair	33	Caracas	cloudy	32	Faro	sun	26	Madrid	fair	29	Rangoon	cloudy	29			
Calcutta	show	16	Cardiff	cloudy	16	Frankfurt	show	16	Majorca	sun	27	Raykivik	fair	14	...	...	...

We wish you a pleasant flight.

**Lufthansa**

صكنا من الأصل